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# ***Daily Report***

## **China**

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# Daily Report China

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## General

### 7 Swimmers Receive 2-Year Ban for Positive Drug Tests

HK0712072994 Hong Kong AFP in English 0717 GMT  
7 Dec 94

[FBIS Transcribed Text] Beijing, Dec 7 (AFP)—The Chinese Swimming Federation (CSF) has banned seven swimmers implicated in the Asian Games drug scandal from all competition for two years, CSF vice-president Yuan Jiawei announced Wednesday. The disciplinary ban on male swimmers Hu Bin, Xiong Guoming, Fu Yong and Zhang Bin, and female swimmers Lu Bin, Zhou Guanbin and Yang Aihua will be dated from the day of their negative tests during the October 5-16 games in Hiroshima. Yang Aihua, the world 400 metre champion, had already been banned from competition by the sport's world governing body FINA after testing positive just before the Asian Games.

Yuan told AFP the decision to ban the seven did not mean the investigation into the incident had ended. China's sporting authorities have indicated that "other people concerned" in the scandal could also face punishment.

The swimmers were among 11 Chinese athletes who tested positive in Hiroshima.

### Coaches' 'Responsibility' Noted

OW0512133794 Tokyo KYODO in English 1115 GMT  
5 Dec 94

[FBIS Transcribed Text] Shenyang, China, Dec. 5 KYODO—A Chinese swimmer stripped of four Asian Games gold medals over the weekend adamantly denies using banned substances to enhance her performance, while a Chinese sports official blames national team coaches for China's recent doping scandal.

"I absolutely did not use any kind of doping substance," Lu Bin told KYODO NEWS SERVICE in an interview in her hometown of Shenyang, Liaoning Province.

"I absolutely don't remember taking any kind of medicines," she said, including injections or oral medications.

Lu, 17, won four gold and two silver medals during October's Asian Games in Hiroshima, while breaking the world record in the 200-meter freestyle. Her medals and records along with those won by 10 other Chinese athletes who also tested positive were withdrawn by the Olympic Council of Asia (OCA) on Saturday [3 December].

The young swimmer said following the Hiroshima Asia she returned to Beijing to continue training with the Chinese national team. She cried for a whole day and could not eat after hearing of her positive doping test at

the end of November, she said, and was immediately sent back to her hometown.

"In the dormitory the administration of food and drink is very strict, so I don't know why I tested positive. As far as we're concerned, the world championships are the second most important competition (following the Olympics) and this year in September we didn't have any (doping) problems," she said.

"The Asian Games are not as important, so why would we want to take drugs?" She said.

"I am certain of my innocence and am trying to keep my composure," she said. "I still want to win an Olympic gold medal," she added, unaware of the recent OCA action to retract her medals and a probable two-year ban from competitive swimming.

A member of the Chinese Olympic Committee said, "The process in which the athletes were using the drugs is not yet clear, but scientific data is available so it is certain that some athletes use these drugs."

"My personal opinion is that a 17-year-old athlete doesn't understand how to use these kinds of drugs, so the responsibility must be taken by the national team coaches," he told KYODO on condition of anonymity.

"At present there are many coaches who are chasing fame, so it's not strange that these coaches use these kinds of drugs," he said.

Lu, who apparently will be allowed to keep the championship title she won in Rome in September, was one of seven Chinese swimmers testing positive for banned substances at the Asian Games where they won 23 of a possible 30 gold medals, and the Chinese women swept all 15 of their races.

At the earlier world championships in Rome, the Chinese women won an unprecedented 12 of 16 championships, which sparked a flurry of doping allegations by Western coaches.

A statement issued by the OCA on Saturday said that a total of 11 Chinese athletes, which reportedly include a track and field runner, two canoeists and a cyclist, tested positive for the same drug, dihydrotestosterone.

The common results of the tests and the unusually large number of athletes testing positive have led several Western coaches to openly state their belief that organized doping exists in China's tightly controlled sports system.

### GATT Negotiator Says Talks With U.S. To Continue

HK0712060194 Hong Kong SOUTH CHINA  
MORNING POST in English 7 Dec 94 p 1

[By Sheel Kohli in Geneva]



[FBIS Transcribed Text] China's chief negotiator for re-entry into the General Agreement on Tariffs and Trade (GATT) said last night he could not see any light at the end of the tunnel after the first two days of talks with the United States in Geneva. Long Yongtu, who heads a 20-strong mission to ensure China becomes a founding member of the World Trade Organisation (WTO) when it takes over from GATT next month, said there was still "a lot of work" to be done.

Mr Long is deputy vice-minister at the Ministry for Foreign Trade and Economic Co-operation. He said he was perplexed over reports emerging from the mainland that the US was blocking China's re-entry because the country was ruled by communists. He said he was prepared to stay in the Swiss lakeside city for "as long as is necessary" to ensure that China wins back its GATT status, and becomes a founder member of the WTO.

Mr Long said China and the US—whose role has inevitably become that of chief negotiator for the developed world—were embarking on parallel discussions over Beijing's offers in services and trade in industrial goods. "We have had meetings with the US this morning, and we were discussing trade in services and industrial goods. We agreed to continue those discussions," he said.

However, he appeared surprised by reports quoting Yu Peiwei, a researcher at the ministry, as saying that the US disregarded China's market reforms and that it was insisting "that China's economy is still a planned one, because the country is led by communists". Mr Long said: "I'm not aware of any attitude by the US ... I don't know where these researchers have got their information." Nevertheless, Mr Long confirmed he would not be willing to make any more major concessions after the year end, the date that China is aiming for its re-entry.

A weekly timetable drawn up by the GATT secretariat, showing activities expected to take place in the GATT building in Geneva, reveal that several private meetings between the Chinese delegation and GATT officials have been booked. The fact that US negotiations in services and industrial goods are going in parallel reflect the importance with which China's negotiating partners are regarding the mainland's year-end deadline.

Mr Long has already held talks with the European Union and Japan, which covered trade in industrial goods, services and farm produce, as well as textiles and intellectual property. Mr Long refused to indicate the tenor of the talks with the US, nor whether he had made any fresh offers.

However, there is also informal work being carried out on China's accession protocol, which lays out the general changes that need to be made to the mainland's trade regime before it enters. These are being led by the China accession Working Party chairman, Pierre Louis Girard, and are distinct from the bilateral negotiations China is

conducting which cover the extent of market opening it is willing to offer its partners.

The source said the talks would also encompass China's air transport system, and issues raised principally by Australia and New Zealand who are concerned about agricultural access.

#### **UN Foundation Hires Environment Official as Advisor**

*OW0612135194 Beijing XINHUA Domestic Service in Chinese 0311 GMT 5 Dec 94*

[By correspondent Wang Yaoxian (3769 5069 0341)]

[FBIS Translated Text] Beijing, 5 Dec (XINHUA)—The Global Environment Foundation [GEF] recently established a senior advisory group, and Qu Geping, chairman of the National People's Congress Environmental and Resources Protection Committee, has been officially hired as a senior foundation advisor.

An international financial institute for environmental protection established with UN initiation, the GEF aims to provide developing countries with financial assistance and transfer harmless technologies to them to effectively protect mankind's environment. Following the June 1992 convocation of the UN Conference on Environment and Development, the GEF has become an effective financial mechanism for multilateral environmental protection. So far, the organ has 94 countries as members and has raised \$2 billion through donations. China has donated \$5.6 million since it joined and has received from the organization \$55 million in assistance, making it one of the countries receiving the greatest amount of assistance.

In his letter to Qu Geping, Muhammad Asiri [transliteration of name as received], president and chief executive officer of the GEF council, said: "I wish to invite you to serve as senior advisor to the GEF. This is an advisory group formed by a small number of internationally well-known personages. Your rich experience and knowledge will be invaluable for the council and myself in strengthening the foundation's political desirability and financial continuity. [no close quotation marks as received]

#### **Youth Organizations Seek International Cooperation**

*OW0612221194 Beijing XINHUA in English 1714 GMT 6 Dec 94*

[FBIS Transcribed Text] Beijing, December 6 (XINHUA)—The All-China Youth Federation (ACYF) and the Chinese Young Volunteers Association (CYVA) signed a memorandum with several international organizations here today, looking forward to conducting international co-operation in the field of voluntary activities.

The memorandum was signed after an international consultation meeting on young volunteer services by the United Nations Educational, Scientific and Cultural Organization (UNESCO), the Coordinating Committee for International Voluntary Service (CCIVS), and the Alliance of European Voluntary Service Organizations (AEVSO).

According to the memorandum, the signatories will start multilateral exchanges and co-operation in voluntary operations.

The CCIVS also invited the CYVA to participate in international voluntary services.

Hu Wei, who is in charge of the CYVA, said that Chinese volunteers are willing to have friendly co-operation with international voluntary organizations of all other countries in the world.

Hu said that if conditions are ripe, China will send young volunteers with professional knowledge to take part in international voluntary activities.

He also said that he hoped that foreign experts could give training courses and help build training bases for volunteers in China.

"We hope to have dialogue with you, with the aim of helping you develop a specifically and perhaps uniquely-Chinese approach to volunteering, rooted in your history and thought, corresponding to your understanding and interpretation of present-day realities and needs," said Arthur Gillette, director of the UNESCO division of youth and sport activities.

Gillette noted that the approach must accord with China's economic, social, cultural and political development in the future.

He told the meeting that the availability of UNESCO, CCIVS, AEVSO and other organizations to work with Chinese volunteers and their organizations "can be stressed, solemnly and joyfully, on the occasion of the December 5 International Volunteer Day."

He also conveyed greetings from Federico Mayor, director-general of UNESCO, to the 100 or so Chinese attendants, including representatives of young volunteers and students from Beijing-based universities.

#### **Beijing Hosts Third Personnel Exchange Council Meeting**

OW0512133594 Beijing XINHUA in English 1317  
GMT 5 Dec 94

[FBIS Transcribed Text] Beijing, December 5 (XINHUA)—The third council meeting of the China Association for International Personnel Exchanges (CAIEP) was held here today.

Deputy Minister of Personnel Jiang Guanzhuang was elected CAIEP vice-president at the meeting.

The CAIEP, established in 1985, is a non-governmental organization which invites experts from overseas to work in China. It also sends professional and administrative personnel to be trained abroad.

Over the past ten years the CAIEP has forged friendly ties with 120 non-governmental organizations in 16 countries. It has invited about 10,000 foreign experts in various fields to China and sent 60,000 Chinese to be trained abroad.

#### **United States & Canada**

##### **'Heated Exchange' Held on GATT Reentry**

OW0612160994 Beijing XINHUA Domestic Service in Chinese 1410 GMT 6 Dec 94

[By XINHUA reporters Ban Wei (3803 3837) and Zhou Shaoping (0719 1421 1627) ]

[FBIS Translated Text] Geneva, 6 Dec (XINHUA)—China and the United States held another round of substantive negotiations over China's re-entry into GATT on 5 December in Geneva. It has been learned that at the first full session the two sides had a heated exchange [ji lie de jiao feng 3423 0441 4104 0074 6912] over the Chinese Government's 28 November announcement setting the end of 1994 as the deadline for concluding substantive negotiations on its re-entry into GATT.

U.S. Chief Negotiator and Assistant Trade Representative Dwoskin said that the deadline was set unilaterally by China; it is a deadline for the United States. The United States cannot hold talks under the condition of an "ultimatum." The United States wants good negotiations, not quick ones. Negotiations on China's re-entry into GATT are negotiations based on commercial interests, they are not political negotiations.

China's Chief Negotiator and Vice Minister of Foreign Trade and Economic Cooperation Long Yongtu said: It is true that the Chinese side set the end of 1994 as the deadline for concluding substantive negotiations. The U.S. side, however, should know that the talks are about China's entry into the world multilateral trade system; they are not about U.S. entry into this system. As a sovereign country, China has the right to decide whether it joins or not, when, and under what conditions. Concluding substantive negotiations within this year is a decision the Chinese Government made after careful consideration. We will not change it. Chinese representatives will firmly carry out this decision to the letter.

Long Yongtu said: The Chinese side does not agree with the statement that the deadline for concluding negotiations is an "ultimatum" to the United States. In international trade negotiations, the United States happens to be the country that frequently issues ultimatums. In bilateral trade negotiations, the United States frequently sets deadlines and imposes them on the other sides. They

are ultimatums through and through. China has set a deadline for the negotiations on its own re-entry into GATT, and it has no intention of imposing it on others. Many contracting countries view it as a positive action for advancing the negotiations. Even GATT Director General Peter Sutherland called on all sides to respect this decision of China's.

Long Yongtu said: After eight years of negotiations, whether or not a good agreement can be achieved is not decided by how long the negotiations will last; the decisive factor is the political intentions of all parties to the negotiations. A good agreement may not be one that is slow in coming. In the absence of political intentions, 10 more years of talks will not get us anywhere. He emphasized that China's re-entry into GATT will have immediate, short-term commercial interests for other GATT contracting parties. What is more important is the long-term strategic benefit it would have for the advancement of world trade. It behooves us all the more to view China's re-entry into GATT from the point of long-term benefits instead of considering only the short-term commercial interests. The Chinese side does not want to look on the negotiations on its re-entry into GATT as "political talks." It is, however, necessary to make a political decision at the final stage of negotiations. By political decision I mean the decision made by the high levels of government of the contracting parties based on strategic considerations.

After the Chinese representative made the aforementioned statement, the U.S. representative said that the United States has already made the political decision, that is, China should become a member of the World Trade Organization. The United States has no intention of prolonging or erecting barriers to the negotiations. The United States still hopes to reach a mutually beneficial agreement at the end of negotiations.

It has been learned that China and United States will continue their negotiations in the coming days. China will also hold another round of talks over some major issues with Europe and Japan on 12 December.

#### Further on GATT Reentry

OW0712120794 Beijing China Radio International in English to Western North America 0400 GMT 7 Dec 94

[From the "World News" program]

[FBIS Transcribed Text] China and the United States held a new round of substantive talks on China's reentry into the General Agreement on Tariffs and Trade [GATT] Monday [5 Dec] in Geneva. However, the two sides differed on the deadline for concluding the talks.

The U.S. head delegate Miss Dwoskin said the U.S. will not negotiate under China's deadline of concluding the talks before the end of this year. She said Washington does not want to reach any hurried agreements. Long Yongtu, Chinese head delegate and assistant to the minister of foreign trade, pointed out that it is China's

right to decide whether, when, and under what circumstances it should reenter the global trade organization. Long Yongtu said good agreements do not necessarily require long negotiations, but depend rather on the political will of both sides. He stressed that China's reentry into GATT is not only beneficial to other GATT members, but also to the development of the world's economy as a whole.

China will hold separate talks with Europe and Japan on the issue next Monday.

#### Commentary Views Impact of U.S. Mid-Term Elections

##### Part One

HK0612123294 Beijing RENMIN RIBAO in Chinese 2 Dec 94 p 6

["Special commentary" by Wang Jisi (3769 6549 1835): "Barometer of Public Sentiment—Part One of Perspective on the Mid-Term U.S. Elections"]

[FBIS Translated Text] Editor's note: The mid-term U.S. elections ended on 8 November, with the ruling Democratic Party losing its majority in the Senate and the House of Representatives and governorship of 11 states. The media called it a "big political earthquake." What do the mid-term U.S. elections imply? What will be the impact on U.S. domestic and foreign policy in the next two years? RENMIN RIBAO has invited experts from the American Research Institute of the Chinese Academy of Social Sciences to express their views on these questions. [end editor's note]

During the mid-term U.S. elections, I visited several big U.S. cities on the East and West coasts, so I have deep impressions of public sentiment and the social change which has emerged from the elections. First, thinking that it had made tremendous achievements in reviving the economy and reducing the unemployment rate, the ruling Democratic Party attributed its failure in the election to the Clinton administration's lack of publicity of its administrative accomplishments. But this is not the case. Ordinary Americans' feelings are contrary to government publicity. The high-wage earning middle class feels pressure from higher taxes, while low-income and blue-collar workers have to find second jobs to maintain their current standard of living. Many of the increasing job opportunities are of a part-time nature with low welfare benefits, but require high cultural knowledge and skills. Young Americans generally think that their standard of living is not as high as the previous generation. Looking into the future, many people feel there is little hope of improving their lives. Therefore, the people's resentment toward the government is understandable. The election results suggest that Americans will, of course, express their strong dissatisfaction with the government because economic growth indices and



the application of science and technology remain only on paper and there has been no improvement in the quality of life.

Even more serious problems than the economy are increased crime, drug addiction, family breakdown, racial conflict, and other social problems. During the mid-term elections, public attention focused on social problems and many Republicans tried to solicit public support under the banner of resolving social problems. An example is the bill to halt social services for illegal immigrants in California, which caused a strong dispute and affected illegal immigrants in New Jersey and New York. Pete Wilson, a Republican who initiated the bill, was elected governor of California by a majority vote. The reason is that most whites supported this bill because they fear that illegal immigrants threaten their interests. There are strong resistant feelings among non whites, particularly among Latinos. Earlier this year, Clinton regarded a crackdown on crime and the popularization of medical insurance and social welfare as important tasks for his administration, but apart from the Crime Bill, which was ratified by a bare majority, the other two bills have gone unmentioned so far, thus causing doubts among voters about the government's ability to govern.

Since the end of the Cold War, national cohesiveness and self-confidence have declined, and the public lack trust in the authorities and are fed up with the conflicts between political parties. These feelings against the President, the Congress, and political groups became conspicuous during the mid-term elections. Public opinion polls indicate that only 35 to 40 percent of the public support the Clinton administration, and only 20 percent of them supported Congress. THE LOS ANGELES TIMES said that voter dissatisfaction with the Clinton administration and the Democratic Party resulting from all sorts of "cultural, economic, and political crises" "have erupted like a volcano." Clinton entered the White House under the banner of "bringing about economic recovery" and "reform." But short-term economic growth has not brought glory to the Democratic Party, and the obstacles to "reform" are much bigger than Clinton expected. Therefore, many Democrats criticize Clinton for being too hasty in introducing reform and in doing too many things in too short a time. Now, some planners have suggested that the Clinton administration should not take any action on its domestic political agenda until the Republican-dominated Congress makes mistakes.

As U.S. newspapers pointed out, the mid-term election results suggest that the "U.S. political power center has drastically turned to the right," with the rise of a conservative ideological trend at the grass roots in recent years, a trend much stronger than in the late 1970's when the Republican Party defeated the Democratic Party.

It can be predicted that after a period of political compromise, confrontation between the government and

Congress and between the Democratic and Republican Parties will become very serious, with neither side being able to accomplish anything. As a result, the U.S. public will deepen their understanding of the shortcomings of two-party politics and many unpredictable and complicated factors will arise in the 1996 elections. True, the Clinton administration and the Democratic Party have suffered a heavy blow in the present political situation, but the public's feeling of resistance against the authorities during the election are not necessarily good for the Republican

## Part Two

HK0612133294 Beijing RENMIN RIBAO in Chinese 3  
Dec 94 p 6

["Special commentary" by Jin Canrong (6855 3503 2837): "Domestic Policy Tends To Become Conservative—Part Two of Perspective on Mid-Term U.S. Elections"]

[FBIS Translated Text] After the Republican Party won complete victory in the mid-term elections, its congressional leaders immediately expressed their strong wish to regain leadership over federal legislation. People generally believe that in the next two years, great changes will take place in the domestic U.S. political pattern: Conservative forces will play a greater role in the political decisionmaking process at all levels, the impact of conservatism on social life will become strong again, and domestic policies will tend to be conservative.

Overall, the U.S. Government's domestic policy trend in the next two years will hinge on two points: First, to what extent the Republican Party's policy initiatives will be different from and in common with the Clinton administration's current policies; and second, how strong the Republicans' challenge will be and to what extent Clinton will make concessions.

Prior to the mid-term elections, about 330 Republican candidates jointly signed an "American Charter," which can be considered as the Republican Party's future action program. Its ideological core is the concept of "small government," which conservatives always advocate, such as reducing taxes and social welfare and maintaining or even increasing military spending. As far as internal affairs is concerned, the Republican Party's major policy objectives are: First, regarding long-term political reform, to propose a constitutional amendment on a balanced budget and try to erase the deficit and realize a balanced budget in five to seven years, as well as adopting a constitutional amendment which limits congressional terms of office and reforms the campaign funding system. Second, regarding short-term policies, to immediately cut the number of departments, staff, and spending and reform Congress' working procedures; fully reduce taxes, including the most notable one of reducing capital gains tax by 50 percent, while it is estimated that over the next five years, the total amount of various tax reductions will reach \$200 billion; and to



drastically reduce welfare spending, including food stamps, public housing subsidies, and aid to single-parent families. It is estimated that such spending cuts will reach \$200 billion over the next five years, while reform of the Medicare system will be considered as part of social welfare system reform. In addition, they are also prepared to propose bills on resuming prayers in public schools and cracking down on criminal activities. It can be said that the above-mentioned proposals are quite different from Clinton's current policies.

Following their victory in the mid-term elections, Republican leaders, on the one hand, have made gestures of cooperation to Clinton, but, on the other hand, have strongly demonstrated a posture of contending for dominance in political power. The Republican Party's strategic intention is very obvious, that is, drive the Clinton Administration into a passive situation and then win the general election in 1996. Its tactics are: 1) To concentrate on putting forward legislation plans within 100 days after the opening of the 104th Congress on 3 January 1995 and to demonstrate to the electorate, on a grand scale, the Republican Party's commitment to reform and ability to run the country. 2) The most controversial Republican policy is the massive cut in welfare spending, and blacks, the poor, the elderly, and other victimized groups of voters will definitely respond to it in future elections. Hence, the Republican-dominated Congress will urge the Clinton administration to take the initiative in proposing and implementing programs to reduce government spending so that the latter will serve as a scapegoat. 3) The Republican Party has always called for an in-depth investigation of the Clintons' personal financial problems in the "Whitewater case," but this was thwarted by congressmen in the Democrat-dominated Congress. Now, as it has brought Congress under its control, the Republican Party may again adopt a high profile on the "Whitewater case."

Faced with the Republican Party's aggressive moves, Clinton's basic countermeasures are: 1) Make a political gesture of wishing to cooperate with the Republicans, and, in reality, seek to compromise and cooperate with moderate Republicans and then try to find common ground on such issues as fighting crime, reforming the welfare system and the Medicare system, limiting congressional terms of office, and reforming campaign funding. 2) Revising some policies to draw closer to the Republican Party. Clinton has hinted that he will agree to reduce taxes paid by the middle class and curtail government spending in the forthcoming budget for the new fiscal year. 3) Upholding current economic policies and vigorously ensuring the continuation of the current rapid economic growth achieved under the circumstances of low inflation and unemployment. 4) Exercising veto power on certain overly conservative bills proposed by the Republican Party. White House Chief of Staff Leon Panetta said: "We will not give up our achievements in education, training, fighting crime, and trade." 5) In case of legislative deadlock, Clinton will

have no choice but to pursue his policies by bypassing Congress in the form of executive orders or regulations.

Since neither side will win in a serious confrontation, Clinton's above-mentioned strategy of making concessions in order to gain advantages may, to a certain extent, be accepted by the Republican Party. However, since the two sides have quite large policy differences between them and Clinton is subject to checks from liberal Democrats, who are strong in the party, there will only be limited concessions or, if Congress and the White House block each other's bills, this may give rise to political deadlock where the administration will accomplish nothing.

### Part Three

HK0612135394 Beijing RENMIN RIBAO in Chinese 4  
Dec 94 p 6

["Special commentary" by Zhang Yebai (1728 0048 4101): "Foreign Policy Will Not Change Greatly—Part Three of Perspective on Mid-Term Elections in the United States"]

[FBIS Translated Text] U.S. Secretary of State Warren Christopher said after the elections that the U.S. Government will continue its current foreign policy. Public opinion in the United States also thinks that the Clinton administration's foreign policy will not greatly change because of the mid-term elections. The reasons are as follow:

First, during this round of elections, foreign policy was not a bone of contention, and domestic problems were what concerned the voters. The failure of the Democratic Party was mainly a reflection of disappointment and grievances among voters over the domestic policies of the Democrat-led government.

Second, in the first year of President Clinton's term, he seemed to neglect foreign affairs. However, in his second year in office, he began to pay attention to foreign affairs, spending a great deal of energy handling foreign affairs and making some important moves, such as forcing Iraq to move its troops back from the Kuwait border, sending troops to Haiti, actively promoting the peace process in the Middle East, reaching an agreement with North Korea on the issue of nuclear inspections, avoiding the intensification of the trade war with Japan, and adjusting his China policy. Therefore, the failure of the Democratic Party in the elections was not a negation of the Clinton administration's foreign policy by the voters.

Third, traditionally, U.S. foreign policy is controlled by the executive branch. The President is the principal diplomatic officer and the supreme commander of the armed forces, and he always enjoys a certain degree of freedom in foreign policy. Although the President's power over foreign policy has weakened since the end of the Cold War, his leading status in foreign policy remains unchanged.

Fourth, in recent years, policy differences between the Republican Party and the Democratic Party have gradually faded, and this is particularly true in the area of foreign policy, where the two parties differ in terms of strategy, but do not differ in a whole series of basic policies and goals. Warren Christopher pointed out that the Clinton administration will continue to support an open trade system, the realization of peace in the Middle East, the prevention of nuclear proliferation, the reform process in various states of the former Soviet Union, the expansion of NATO, the realization of European unification, and the maintenance of a U.S. military presence in the Pacific region.... He also said that on these issues the administration will seek vigorous cooperation from the two parties in Congress.

However, the Republican Party now has a majority in the Senate and the House of Representatives, and it is cannot, but have some influence on Clinton's foreign policy.

First, in the future, when formulating and implementing foreign policy, the Clinton administration will be more constrained by Congress, and on some important issues it cannot but consult with Congress and act prudently, therefore, it will hardly take firm action.

Second, because the country's "wallet" is in the hands of Congress, the Republican Party can use the financial power in its hands to restrain Clinton's foreign policy. Republican leaders have already said that they want to cut foreign aid and limit expenditure on UN peace-keeping forces. It seems that Congress will pay more attention to controlling expenditure, and Clinton might face greater difficulties in carrying out foreign policy.

Third, the Republican Party's foreign policy has a thicker conservative color, and when 73-year-old Jesse Helms and 91-year-old Strom Thurmond respectively preside over the Senate Foreign Relations Committee and the Senate Armed Services Committee, they will compel Congress to further promote a conservative foreign policy, giving the Clinton administration a hard time in handling foreign trade, the prevention of weapons proliferation, and handling relations with Russia and China.

Generally speaking, in order to win a second term, Clinton will mainly pay attention to domestic problems, but he will not give up the initiative in foreign policy. Achievements in foreign affairs will not help Clinton very much in winning a second term, but failure in foreign policy will hurt the President's image. During his last two years in office, Clinton will face a bigger challenge from the Republican-controlled Congress, but serious confrontation will not take place between Congress and the government in the foreign policy area. The Clinton administration will continue to practice a pragmatic foreign policy and will strive for achievements in foreign affairs. If Clinton meets great obstacles in domestic policy, the possibility that he will shift more attention to foreign policy cannot be excluded as he may

use achievements in foreign affairs to increase his own prestige and score political points. Under circumstances where a consensus cannot be reached with Congress through consultation, it is also likely that Clinton will take firm action in the area of foreign policy.

#### **Whirlpool Invests More in China**

OW0712110794 Beijing XINHUA in English 0654  
GMT 7 Dec 94

[FBIS Transcribed Text] Shanghai, December 7 (XINHUA)—Whirlpool Company is implementing its agreement with the Shanghai Shuixian (Narcissus) Electrical Appliances Company in producing washing machines. According to David Whit Wan, chairman of the Board of Directors of Whirlpool Company, the joint venture plant is planned to be located in the Pudong New Area, an economic zone that is expected to lead the transformation of Shanghai's industrial and financial sectors. Upon completion, the plant will turn out 500,000 washing machines annually.

The chairman disclosed that his company already has concluded a contract with the Beijing Xuehua (Snowflake) Electrical Appliances Group Company on setting up the Beijing Whirlpool and Snowflake Electrical Appliances Company Ltd. with a total investment of 29.5 million U.S. dollars.

In addition, Whirlpool Company plans to cooperate with China in producing microwave stoves.

Whirlpool is the largest household electrical appliances manufacturer, producing washing machines, drying machines, microwave ovens, refrigerators, dish washers and ice makers.

With headquarters in the United States, it has set up factories in 11 countries, and sells its products to about 120 countries.

#### **Southeast Asia & Pacific**

##### **Malaysia To Help Build Chang Jiang Bridge**

OW0612140994 Beijing XINHUA in English 1340  
GMT 6 Dec 94

[FBIS Transcribed Text] Kuala Lumpur, December 6 (XINHUA)—China's Nanjing Municipality Government and a group of Malaysian companies signed here today a joint venture agreement on building the second Chang Jiang River Bridge in the Chinese city.

The project, scheduled to commence in 1996 and to be completed by 2000, will be the longest span cable stayed bridge in the world with a main span of about 1,000 meters.

The signing ceremony was witnessed by Malaysian Prime Minister Mahathir Mohamed who also witnessed the signing of the memorandum of understanding for the project during his visit to China in June last year.

The project, costing about 445 million U.S. dollars, comprises construction of two major bridges with dual 3-lane connecting expressway of 16 kilometers.

The first Nanjing Chang Jiang River bridge, built in 1968, is unable to meet growing traffic volume currently.

The joint venture company will undertake the project on a build, operate and transfer basis and will collect tolls from bridge users for a period of 30 years.

#### **Song Jian Views Investment, Sino-Australian Business**

*OW0712062694 Beijing XINHUA in English 0554 GMT 7 Dec 94*

[FBIS Transcribed Text] Canberra, December 7 (XINHUA)—Chinese State Councilor Song Jian said today that China welcomes all forms of investment in the country as the investment environment has been improved markedly.

Song said that "capitals, technologies and services are in great demand in China...to issue bonds and securities abroad, to establish joint ventures, cooperative enterprises or exclusively foreign-funded firms are all welcomed."

Song, who is also the minister in charge of the State Science and Technology Commission, made the remarks at Australia's three-day National Trade and Investment Outlook Conference held in Melbourne, which ends tomorrow.

Song is leading the Chinese Government science and technology delegation on a visit to Australia.

Stressing that the environment for investment is getting better and better these years, he said that newly signed joint venture investment reached 50 billion U.S. dollars last year, with 26 billion U.S. dollars being on place.

He also briefed some 1,200 participants on the current situation of China's economy and its reform and opening-up, saying that China's economy has grown at an annual rate of 9.5 percent since 1978.

Following last year's growth of 13.4 percent, he said that the figure is projected to be 12 percent this year.

"With the growing of the economy, the per capita income is increasing and the quality of people's life has been improved significantly," he said.

But, he added, "continued efforts of several generations are needed before China can succeed in earning a decent life to its people" because of its large population and poor economic foundation.

Song also pointed out that China and Australia are big nations in the Asia-Pacific region and "have every reason to build up closer relations to do business together."

#### **Qian Qichen Meets New Zealand Official**

*OW0612132294 Beijing XINHUA in English 1244 GMT 6 Dec 94*

[FBIS Transcribed Text] Beijing, December 6 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen met here today with Richard Nottage, secretary of the Ministry of Foreign Affairs and Trade of New Zealand.

Qian said the relations between China and New Zealand have witnessed overall development in recent years thanks to joint efforts.

The exchange of high-level visits has been on the increase and co-operation between the two countries in international affairs has been strengthened, Qian commented.

Qian noted that during the recent informal meeting of leaders of APEC [Asia-Pacific Economic Cooperation] members, Chinese President Jiang Zemin and New Zealand's Prime Minister James Brendan Bolger held a meeting, which was a "very good one".

Qian said that maintaining high-level contacts between the two sides will help increase mutual understanding and friendly relations, and be conducive to long-term and steady development of bilateral ties.

Speaking of economic co-operation and trade ties, Qian said such co-operation between China and New Zealand is growing smoothly. He added that both trade and mutual investment are increasing rapidly.

Qian told the guest that China's total foreign trade volume is expected to surpass 200 billion U.S. dollars this year.

With China's economic development, Qian said, bilateral economic co-operation and trade will have a broad prospect.

The foreign minister said he hoped the two countries would exert joint efforts to open up new ways for mutual co-operation between the two countries.

Nottage said that recent years have witnessed a great increase in two-way trade and investment.

Many large companies in New Zealand are so interested in investing in or doing business with China that they have sent agents to visit the country or established offices here, he said.

Nottage noted that since the development of New Zealand's economy is closely linked with that of the Asia-Pacific region, the New Zealand Government attaches great importance to developing its relations with China, and will continue to make efforts to this end.

Nottage and Liu Huaqiu, Chinese deputy foreign minister, held frank and friendly talks yesterday afternoon on bilateral ties and international affairs of common concern.



The two sides reached a wide consensus during the talks. Nottage arrived here to participate in the seventh political consultation meeting between the two foreign ministries, at the invitation of the Chinese Foreign Ministry.

### Near East & South Asia

#### XINHUA Notes Christopher's Arrival in Damascus

OW0612132694 Beijing XINHUA in English 1240 GMT 6 Dec 94

[FBIS Transcribed Text] Damascus, December 6 (XINHUA)—U.S. Secretary of State Warren Christopher arrived here today on a new peace shuttle between Syria and Israel in a new bid to break the deadlock in their peace talks.

Christopher, who will also visit Israel, will hold talks with Syrian President Hafiz al-Asad.

Meanwhile, leading Syrian official newspapers today said peace in the Middle East would remain a blueprint unless Israel agrees to full implementation of relevant UN resolutions calling for its complete withdrawal from the occupied territories.

The official daily, "AL-THAWRAH" (REVOLUTION) stressed that comprehensive peace would not be achieved unless Israel agreed to a complete withdrawal as a prerequisite, noting that separate solutions will not produce this kind of peace.

The "TISHRIN" (OCTOBER) daily said the success of Christopher's forthcoming shuttle diplomacy to the region depends upon the implementation of international resolutions calling for putting an end to the Israeli aggression.

The "AL-BA'TH," mouthpiece of the ruling party, accused Israeli officials of jeopardizing every international effort aimed at achieving peace.

"Before Christopher's new mission, they habitually start claiming that Arab parties to the conflict were responsible for the current stalemate in the peace process," the paper noted.

#### Pakistan's President Visits Hangzhou

OW0612140694 Beijing XINHUA in English 1357 GMT 6 Dec 94

[FBIS Transcribed Text] Hangzhou, December 6 (XINHUA)—Pakistani President Farooq Ahmad Khan Leghari and his party arrived here today, accompanied by Minister of Agriculture Liu Jiang, chairman of the Chinese Government Reception Committee.

Leghari visited a village famous for its production of the Longjing (Dragon Well) tea, and some scenic spots.

Wan Xueyuan, governor of Zhejiang Province, hosted a banquet in honor of the guests.

### Comments on Nuclear Plant

BK0712041594 Islamabad Radio Pakistan Network in English 0300 GMT 7 Dec 94

[FBIS Transcribed Text] China has agreed to provide another nuclear power plant to Pakistan to help it overcome the energy crisis. This was stated by President Sardar Farooq Ahmad Khan Leghari while talking to Chinese journalists in Shanghai yesterday. He said that Pakistan wants joint ventures with Chinese companies and the two countries have agreed to explore ways and means for the purpose. The president said that as soon as Pakistan receives enough funds for the purpose it would go ahead with the plant.

Replying to a question, the president said that the two countries will discuss ways and means to decrease the current trade imbalance. He said that Pakistan can supply a number of items which China imports from other countries. He reiterated Pakistan's support to China for its entry into the General Agreement on Tariffs and Trade. Sardar Farooq Ahmad Khan Leghari briefed the Chinese journalists about the policies of the present government for economic development. He said Pakistan has announced unprecedented initiatives for foreign investment and now has become a very good area for investment. He said we would be happy if Chinese businessmen invest in Pakistan.

### XINHUA Views Perry's Visit to Pakistan

OW0712120294 Beijing XINHUA in English 1111 GMT 7 Dec 94

[FBIS Transcribed Text] Islamabad, December 7 (XINHUA)—U.S. Defense Secretary William Perry will come to Pakistan on January 7 for a two-day visit, Pakistan Foreign Office spokesman Munir Akram announced here today at the weekly press briefing.

Perry's visit will provide an opportunity to review the present situation of cooperation between the two countries in defense field, the spokesman said.

There will also be an exchange of security perceptions between the high-ranking officials of the two countries, he said.

"Pakistan and U.S. have a very long-standing relations in defense," Munir said. "We have extensive relations in the past," he added.

U.S. Under-Secretary of Defense for Policy Walter B. Slocombe is currently in Pakistan on a three-day visit which is termed as "preparatory to Perry's visit to the South Asia."

Munir told reporters that Pakistan and the U.S. officials exchanged views on the sale of U.S. F-16 fighters.



"We are working through the problem. We hope that we'll find an acceptable solution," he said.

He said options are still open: either the U.S. would deliver the fighter jets or return the money Pakistan has paid.

Pakistan has paid millions of dollars for the purchase of 38 warplanes, but the U.S. failed to deliver them as it has suspended the supply of military equipment to Pakistan under the Pressler Amendment.

### Latin America & Caribbean

#### Zhang Zhen Meets Uruguayan Defense Minister

OW0612142094 Beijing XINHUA Domestic Service in Chinese 1139 GMT 6 Dec 94

[By reporter Wen Jihua (2429 4949 5478)]

[FBIS Translated Text] Beijing, 6 Dec (XINHUA)—In a meeting with Uruguayan Minister of Defense Dr. Daniel Hugo Martins at the Great Hall of the People this afternoon, Vice Chairman Zhang Zhen of the Central Military Commission [CMC] said: China's armed forces are entirely for the purpose of defense. China does not seek hegemony now, nor will it do so even after becoming developed in the future [jiu shi jiang lai fa zhan liao ye jue bu cheng ba 1432 2508 1412 0171 4099 1455 0055 0043 4815 0008 4468 7218].

Briefing the visitor on the domestic situation, Zhang Zhen said: The current level of China's economic development is not high. It will require the hard work of several generations of people to bring the Chinese economy up to the level of those of the medium-developed nations. He emphasized: "A peaceful external environment is indispensable for China's development. We are willing to develop friendly and cooperative relations with all countries in the world on the basis of the five principles of peaceful coexistence."

Discussing China's Army building, Zhang Zhen pointed out that rumors of the so-called "theory of Chinese threat" spread by some people abroad are totally groundless.

He said: "Our armed forces are not small in number. However, in view of China's vast territory, long coastal line and land boundary, and the low level of our military modernization, the mobility is lagging far behind those of Western armed forces. In the meantime, the Chinese armed forces also shoulder the burden of participating in domestic economic construction and rushing to deal with emergencies and natural disasters."

On behalf of the CMC, Zhang Zhen extended a warm welcome to Martins and his retinue. He said: There are no conflict of interests between China and Uruguay and the armed forces of the two countries. High-level exchanges have been frequently carried out since the establishment of diplomatic ties between the two countries six years ago. He expressed the hope that the friendly and cooperative relations between the two countries and two armed forces will bear new fruit.

Zhang Zhen also voiced appreciation for the "One China" position of the Uruguayan Government.

Martins spoke highly of China's economic growth and its foreign policy, saying that it is the desire of the Uruguayan Government to constantly expand the friendly and cooperative relations between the two countries and armed forces.

State councillor Chi Haotian, who is concurrently the defense minister, and Deputy Chief of the General Staff Cao Gangchuan were present at the meeting.

This evening, Zhang Wannian, chief of the General Staff of the Chinese People's Liberation Army, met and feted Martins and his retinue.

The Uruguayan visitors arrived in China on 1 December at the invitation of the Chinese Ministry of Defense.

## Political & Social

### Li Peng Donates Father's Personal Effects to Museum

HK0712043894 Beijing XINHUA Domestic Service in Chinese 0845 GMT 4 Dec 94

[Report: "Premier Li Peng Donates More Than 20 Personal Effects of Martyr to Military Museum"]

[FBIS Translated Text] Beijing, 4 Dec (XINHUA)—In mid-November, Premier Li Peng of the State Council presented more than 20 personal effects of Martyr Li Shuoxun, including original pieces of handwriting, photos, and relevant cultural and historical relics, to the Chinese People's Revolutionary and Military Museum. These cultural relics, which had been held by the premier for many years, will add new and vivid teaching materials to the Military Museum in carrying out education in revolutionary tradition and patriotism.

This year, the State Bureau for Preservation of Cultural Relics made an appraisal of the first-class revolutionary cultural relics in the major museums throughout the country. In the Military Museum, there is a collection of writings left behind by Martyr Li Shuoxun, Premier Li Peng's father, which is very touching. However, it was still necessary to further identify whether they were the original pieces and how they had been passed round as well as the exact date the martyr died. For this reason, the Military Museum wrote a letter to the CPC Central Committee General Office. Very soon, Major General Yuan Wei, curator of the Military Museum, and Zhou Yan, vice curator, received a call from Zhu Lin, Premier Li Peng's wife, who invited them to Comrade Li Peng's office. In this simple but elegant office, Premier Li Peng and his wife Zhu Lin warmly entertained their guests with fruit and tea and asked them about their work in the museum. Looking at the writing left behind by his father, Comrade Li Peng said affirmatively: "No mistake, this is an original piece of his writing. On this writing, Father only wrote the month and date. He died in 1931." From a leather wallet specially for collecting things left behind by Li Shuoxun, Comrade Li Peng took out a file, in which there was the court verdict reserved by the Kuomintang [KMT] Guangdong Provincial Government in those years, to prove that the martyr died on 5 September 1931. Shu Lin said: "In 1959, when we lived in Maoer Lane, I, with our eldest son in my arms, who was only a few months old, and together with Mama (Li Peng's mother Zhao Juntao), went to the Military Museum in a car from the Beijing Chemical Industry Institute and presented this writing to the museum." Li Peng recalled: "When my father died, I was still under three years old. In the KMT ruled areas, my mother changed her name and lived in seclusion to continue her underground work. She dared not say anything about my father. I did not see the writing left behind by my father until I was ready to go to Yanan." After saying this, Comrade Li Peng took out some other things left behind

by the martyr and relevant materials which he had collected over dozens of years and handed them to the comrades from the military museum one by one. He also gave detailed explanations about them, piece by piece. The relics included a pocket watch belonging to Martyr Li Shuoxun, his letters and photos, and reproductions of reports and files submitted by the KMT Qiongzhou County Government to the KMT Guangdong Provincial Government after Li Shuoxun's execution.

Of the revolutionary relics presented by Comrade Li Peng, the letter from Li Shuoxun to Zhang Chongwen was in his original handwriting and had not yet been publicized. On the back of one of the three photos taken in 1923 and 1931, there was also the martyr's handwriting. The photo of Li Shuoxun and his wife, Zhao Juntao, had been placed in Premier Li Peng's office. When the comrades from the Military Museum took over these precious relics and expressed their thanks to Comrade Li Peng for his care for the museum, Premier Li Peng and his wife said that it was more significant to have these relics kept in the Military Museum than keeping them at home.

### Li Peng Attends Polio Immunization Activities

OW0612135094 Beijing XINHUA Domestic Service in Chinese 0918 GMT 5 Dec 94

[FBIS Translated Excerpt] Beijing, 5 Dec (XINHUA)—A second nationwide campaign on strengthening immunization day activities for eliminating poliomyelitis began today. State Council Premier Li Peng and his wife, Zhu Lin, visited the Women and Children Hospital inoculation center to feed poliomyelitis vaccine to children under four. The hospital is attached to the Beijing Medical University's First Clinical Institute. Li Peng wrote inscriptions for the immunization campaign: Society Should Show Concern and Support Planned Immunization for Children. He said: To ensure healthy growth for the motherland's children, it is necessary to hold a planned immunization campaign throughout society and the nation to eliminate poliomyelitis.

When Li Peng came to the hospital's vaccination room at 1545, waiting young couples carried their children to the premier one after another. Li Peng took the vaccine tablets and warm water from the medical staff and carefully fed them to the children while cordially asking their ages. The tender faces of the lovely children broke into smiles: "Thank you grandpa." Meanwhile, Premier Li Peng's wife, Zhu Lin, State Councilor Peng Peiyun, Public Health Minister Chen Minzhang, and Beijing Mayor Li Qiyang also fed vaccine to the children. [passage omitted]

### Central Circular on Media Management

HK0612154894 Beijing XINHUA Domestic Service in Chinese 1127 GMT 2 Dec 94

["The General Offices of the CPC Central Committee and the State Council Jointly Issue 'Circular on Strengthening and Improving Management of Books, Newspapers, Magazines, Film, Television Products, Audio Products, and Video Products Markets'"]

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[FBIS Translated Text] Beijing, 2 Dec (XINHUA)—The general offices of the CPC Central Committee and the State Council recently jointly issued a "Circular on Strengthening and Improving the Management of Books, Newspapers, Magazines, Film, Television Products, Audio Products, and Video Products Markets." In view of existing problems in the book, newspaper, magazine, film, television products, audio products, and video products markets in China at present, the circular includes a series of explicit provisions concerning ways and procedures to strengthen and improve market management, the functions and responsibilities of party and government departments and the departments concerned at various levels, and so on.

The circular of the general offices of the CPC Central Committee and the State Council says: Since the beginning of reform and opening up, books, newspaper, magazine, film, television products, audio products, and video products markets have developed vigorously. This has played an important role in meeting the increasing spiritual and cultural needs of the people and in promoting the building of socialist material and spiritual civilization. However, since these markets are in the initial stage of development, the laws and regulations concerning them are not sound, management of them is quite weak, and some problems which should not be neglected have emerged. They are mainly manifested in the large quantity of publications which have a poor style, are produced in a rough and slipshod way, and which propagate pornography, violence, and superstition, and some publications which contain serious political mistakes; in the increasing number of criminal cases involving lawbreakers and gangsters producing, selling, and smuggling pornographic products and pirating despite repeated prohibitions; and in some publication, distribution, printing, and duplicating organizations, violating relevant regulations, selling book numbers, magazine numbers, and edition numbers, and even colluding with criminals to commit crimes. These problems have evoked strong repercussions among the people, who demand an urgent solution to them.

The "circular" demands that party committees and governments at various levels should have a clear understanding of the importance of strengthening and improving the management of book, newspaper, magazine, film, television product, audio product, and video product markets, gain a thorough understanding of Comrade Deng Xiaoping's strategic ideal concerning "grasping with both hands and gasping firmly with both hands," seriously study a series of important instructions concerning strengthening the building of spiritual civilization and strengthening the management of the cultural market given by the CPC Central Committee and Comrade Jiang Zemin, seek ideological unity on the basis of the policies and demands of the central authorities, and strengthen management of the cultural market in the spirit of holding themselves highly responsible to the party, the state, the people, and to future generations.

The "circular" points out: The fundamental purpose of strengthening management of the cultural market is to promote the flourishing and healthy development of the cultural market and to better enhance the service of the cultural market to reform, opening up, and economic construction, to the building of socialist spiritual civilization, to the development of national culture, to cultural exchanges with foreign countries, and to meeting the spiritual and cultural needs of the people. In management work at present and for some time to come, we should especially stress giving guidance, grasping total quantity, grasping structure, and grasping benefits; guiding the development of cultural undertakings to shift from taking scale, quantity, and growth as the dominant factor to taking quality, benefits, and improvement as the dominant factor; and energetically exploring and establishing a management structure and operational mechanism which conform to the laws of development of the socialist cultural market.

The "circular" demands that party committees and governments in various localities should strengthen leadership over work in the management of book, newspaper, magazine, film, television product, audio product, and video product markets. They can fix the functions, responsibilities, and division of work of major departments which manage these markets in accordance with local realities. They can use as reference the practice in recent years of some localities in establishing a cultural market management committee formed by the departments concerned which is responsible for guiding and coordinating work in the management of the cultural market under the unified leadership of party committees and governments, and they should perfect such practices in their work. The "circular" stresses that all market business activities of cultural enterprises and establishments must accept management from the respective local government. Departments in charge and sponsoring organizations should be investigated and responsibility affixed for any serious problems in cultural enterprises and establishments under them.

The "circular" points out: Specific policies and regulations for the management of book, newspaper, and magazine markets, film and television product markets, and audio and video product markets should be respectively formulated by the Press and Publications Administration, the Ministry of Radio, Film, and Television, and the Ministry of Culture. All important policies and major reform measures involving management of the cultural market must be reported to the State Council for approval.

In view of the excessive growth in quantity, poor quality, and other problems in the production and management organizations for books, newspapers, magazines, television series (plays), audio products, and video products, the "circular" puts forth the necessity of exercising macroregulation and control over the cultural market. New libraries and audio and video publication organizations should be put under strict control, and new



books and magazine printing presses and audio and video duplication production lines should be put under strict control. The central and local governments should not give approval to new projects next year and the year after that. Regarding the production of television series (plays), the Ministry of Radio, Film, and Television should make rational arrangements for the total number of filming permits and one-time filming permits. Various localities should make rational plans for the establishment of radio stations, television stations, and cable television stations and should report to the Ministry of Radio, Film, and Television for approval to set up such stations. Moreover, various localities should study and determine the scale of development of selling points of books, newspapers, and magazines and the sale, lease, and projecting points of audio and video products; properly solve problems in sending films, books, newspapers, periodicals, and other cultural products to the countryside; and energetically assist the development of the rural cultural market. Concerning strengthening the management of the book, newspaper, and magazine markets, the "circular" demands that various localities should control sources of publication, rectify printing links, put distribution channels in order, and standardize marketing behavior. They should grasp firmly the establishment of a system to ensure the quality of books, newspapers, and magazines, and should strictly implement regulations forbidding various forms of buying and selling book numbers, magazine numbers, and newspaper space. They should seriously implement rules for managing special trades and strengthen management of printing enterprises. Enterprises undertaking the printing of books, newspapers, and magazines must have a permit to print books, newspapers, and magazines issued by publication administrative departments, as well as a permit for special trades issued by public security departments. Various localities should carry out a check on all printing enterprises under their jurisdiction and should resolutely disband enterprises which have seriously violated regulations in their operations. They should resolutely carry out investigations of, and mete out punishment to, organizations which have undertaken the printing of books, newspapers, and magazines without a permit. XINHUA bookstores and other publication and book import and export organizations which undertake the distribution of books, newspapers, and magazines should strengthen internal management, strictly implement a working system, and should not contract out their business in any form. They should resolutely ban illegal distribution. Kiosks and book and magazine points in cities and towns should be relatively concentrated, selling should take place at fixed points, and a permit should be shown while doing business.

The "circular" points out: In strengthening the management of the film and television markets, we should take improving the quality of films and teleplays and programs on cable television as the focus and seriously do a good job of work in the following aspects: 1) The Ministry of Radio, Film, and Television should further

improve procedures for the examination and approval of film and teleplay production organizations. Various localities should carry out examinations and verifications of organizations which specialize in film and teleplay production. 2) Film and television series (plays) production organizations should establish and perfect a script examination system. 3) Films, teleplays, and video tapes jointly produced with organizations outside the border or with their assistance, as well as films or teleplays which are intended to take part in international competition, should be submitted to the Ministry of Radio, Film, and Television for examination and approval. 4) Cinemas and opera houses should seriously implement the relevant regulations concerning permits for projection or performance, and they are forbidden to put on films or teleplays which do not have permits. 5) Films and teleplays broadcast by cable television stations should have permits for such purposes issued by radio and television administrative departments at the provincial level. Educational television stations must not broadcast films or teleplays whose contents have nothing to do with education.

Regarding strengthening management in the audio and video products market, the "circular" demands that various localities should seriously implement the "Regulations on the Management of Audio and Video Products" recently promulgated by the State Council and should earnestly manage the audio and video products market in accordance with the provisions of the "regulations." In the near future, they should lay emphasis on inspecting the business activities of publication, duplication, wholesale, retail, rental, and projection organizations and should confiscate and destroy in a concentrated manner all audio and video products which involve piracy or which have reactionary or pornographic contents.

The "circular" reaffirms the regulations concerning the importation of books, newspapers, magazines, films, television products, audio products, and video products, and demands that the Press and Publications Administration, the Ministry of Radio, Film, and Television, the Ministry of Culture, and other competent departments should seriously exercise control over the importation of books, newspapers, magazines, films, television products, audio products, and video products. In addition, customs should also seriously inspect various forms of book, newspaper, magazine, film, television product, audio product, and video product imports and guard against the entry of any contraband.

The "circular" emphatically points out: Piracy, producing and selling pornographic products, and smuggling and selling contraband are very serious and are conspicuous problems in the book, newspaper, magazine, film, television product, audio product, and video product markets at present. We must adopt effective measures to resolutely crack down on these criminal activities and earnestly correct phenomena of not abiding by laws and not strictly enforcing laws. Party



committees and governments of various localities should, in light of local reality, grasp key areas, key trades, and key problems; organize the departments concerned to seriously investigate and handle a number of major cases; and severely and quickly punish, according to the law, the organizers, shelterers, and ringleaders of these criminal activities and the masterminds of bad books.

The "circular" says: We shall institute in China a comprehensive permit system for the production, distribution, sale, and other links of books, newspapers, magazines, films, television products, audio products, and video products, and we shall carry out annual inspections and verification. Moreover, we shall grasp firmly the formulation of laws and regulations on the publication of books, newspapers, and magazines; the management of films, television series (plays), audio products, and video products, books, newspapers, and magazines; and punishments for illegal publication activities in order to change the present situation of insufficient legislation.

The "circular" also sets clear demands on establishing and perfecting the contingent for the supervision and inspection of the cultural market, deepening reform, developing the cultural market, energetically carrying out social supervision, giving full play to the role of organizations of various trades and professions, and correctly guiding the cultural consumption behavior of the people.

In conclusion, the "circular" points out: Strengthening management of the cultural market is a long-term task. Party committees and governments at various levels should regularly analyze the market situation, integrate routine management with rectification and improvement in a concentrated manner, formulate rules and regulations, and persist in carrying out such practices. The "circular" also demands that party committees and people's governments of various provinces, autonomous regions, and municipalities; the Ministry of Culture, the Ministry of Radio, Film, and Television, the Press and Publications Administration; and other departments concerned, should, in accordance with the guidelines of this circular, formulate implementation procedures and strive to bring about a more vigorous, orderly, flourishing, and healthy development of the book, newspaper, magazine, film, television product, audio product, and video product markets.

#### **Ministry Bans Import, Sale of Decoders for TV**

OW0712011994 Hangzhou Zhejiang People's Radio Network in Mandarin 1000 GMT 6 Dec 94

[From the "Provincial News Hookup" program]

[FBIS Translated Text] The Ministry of Radio, Film, and Television recently issued a circular banning the reception of scrambled television programs originating outside China and banning the import of decoders for such programs.

The circular points out that since the Asiasat I telecommunications satellite began relaying scrambled programs from Hong Kong television stations, many companies have sold decoders for these programs in violation of relevant regulations. With the Asiasat I carrying more and more scrambled television programs from outside China, the import and sale of decoders by some organizations in various localities and reception of satellite-relayed scrambled programs are becoming more and more rampant. To our knowledge, none of the decoders being sold and used in various localities were imported through legitimate channels with the approval of the Ministry of Radio, Film, and Television in accordance with State Council Decree No. 129. Therefore, their sale and use have seriously obstructed the implementation of the State Council decree. The circular emphasizes the following stipulations issued by the Ministry of Radio, Film, and Television to improve the management of satellite-relayed television programs:

1. All organizations should immediately stop the reception of all scrambled television programs originating outside China, including those of Hong Kong television stations;
2. No organizations are permitted to import and sell decoders for scrambled television programs originating outside China; and
3. Local radio and television program management departments should work in cooperation with local industry and commerce departments, customs offices, and other relevant departments to resolutely investigate and punish those who import and sell decoders for scrambled television programs originating outside China and to ensure the implementation of State Council Decree No. 129.

#### **Dissident Wang Dan Receives 'Police Death Threats'**

HK0712043194 Hong Kong AFP in English 0358 GMT 7 Dec 94

[FBIS Transcribed Text] Beijing, Dec 7 (AFP)—Former Chinese dissident leader Wang Dan said Wednesday he had received police death threats after filing a suit this week against the Beijing Public Security Bureau (PSB) for harassment.

In a faxed letter to the press, Wang, 25, called on the UN Human Rights Commissioner (UNHCR) and the international community at large to pressure the Chinese authorities "to stop persecuting me."

The 1989 pro-democracy leader, who filed his legal suit by post on Monday with the Beijing Intermediary People's Court, said he had been followed by half-a-dozen plainclothes police Wednesday morning when he left his home for the Beijing Public Library. "The police followed me into the library and told me: 'When you leave,

we will beat you to death," he said, adding that their action proved they had no qualms about persecuting him openly.

"I call on all supporters of justice in the world and the UN Human Rights Commissioner to pressure the Chinese government into ceasing their persecution and allowing me to live a normal life," Wang said.

At the same time, the dissident's mother, Wang Lingyun, 58, said police harassment of her son was putting enormous pressure on her entire family. "In the past several months, our family has always been worrying about Wang Dan's security," she said by telephone. "Not only is his security threatened, but the basic fabric of our family life is also affected," she said, echoing her son's appeal for the international community to bring attention to their case.

A spokeswoman for the Beijing Intermediate Court said Wednesday that they had not received Wang's lawsuit, which accuses the PSB of violating his citizen's rights and damaging his reputation.

Wang has been under continual police surveillance since the fifth anniversary on June 4 of the Tiananmen Square massacre and was twice picked up for questioning in August after trying to file a similar complaint with the court over police harassment.

Arrested during the crackdown that followed the brutal suppression of the 1989 democracy movement, Wang was sentenced to four years' imprisonment, but was released in early 1993 as part of a charm offensive to bolster Beijing's unsuccessful bid to host the 2000 Olympic Games.

Wang said Wednesday he refused to make the "slightest compromise" over his fight for democracy in China, even though he may be forced to "sacrifice my life and my blood."

#### **Cadres Receiving Gifts Fail To Play 'Binding Role'**

HK0612143994 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1039 GMT 19 Nov 94

[FBIS Translated Text] Beijing, 19 Nov (ZHONGGUO TONGXUN SHE)—According to information furnished by authoritative quarters in China, the CPC Central Discipline Inspection Commission and the Ministry of Supervision have recently carried out thorough studies and investigations about the question of gift receiving declarations among leading party and government cadres. They are expected to make provisions in this regard to standardize the gift receiving behavior of leading cadres and to curb existing negative phenomena.

According to information, the Central Discipline Inspection Commission and the Ministry of Supervision are studying questions regarding the declaration of the annual income of leading cadres and reporting systems

for important events. When conditions allow, a comprehensive assets declaration law will be introduced.

For some time, sending business gifts has become a rather common social problem. "Gifts" are sent to leading cadres using an increasingly large number of different excuses and the value of the "gifts" is increasingly high. Although the CPC Central Committee has, over the past dozen years, formulated various regulations governing the giving of gifts, for various reasons, they have not played a binding role at all.

#### **Surveys Show Spratlys 'Discovered,' 'Developed'**

OW0712100094 Beijing XINHUA in English 0948 GMT 7 Dec 94

[FBIS Transcribed Text] Beijing, December 7 (XINHUA)—Comprehensive scientific survey of China's Nansha [Spratly] Islands has been very fruitful, according to the Beijing-based GUANGMING DAILY.

Lying in the southern part of the South China Sea, the largest territorial sea of China, the Nansha Islands consist of 21 isles and shoals, covering a total area of 880,000 sq [square] km as well as some 80 reefs. They abound in natural resources.

About ten years ago, more than 400 experts and scientists conducted explorations, surveys, and researches on the islands, covering nearly 40 disciplines of sciences there.

For a decade, they have made 21 voyages to the islands under the joint leadership of the Chinese Academy of Sciences (CAS), the State Science and Technology Commission, the State Planning Commission, State Education Commission, and the National Bureau of Oceanography (NBO).

They come from 48 scientific research institutes and universities, including the South China Marine Institute of Oceanography under the CAS, Beijing University, Guangzhou-based Zhongshan University, the Institute for Marine Development Strategy under the NBO, and the Research Center of the China National Petroleum Corporation.

At present, they have published 17 monographs, more than 300 treatises and reports, ten-some [as received] large-sized color maps indicating positions of islands and reefs in the South China Sea, three sets of photos sent back from satellites, and a large number of photos and pictures of more than 700 species of fish and other marine inhabitants.

The explorations have proven that the island area is very rich in oil and natural gas resources. The experts have found vast submarine basins containing oil and natural gas, including the Zengmu shoal basin, Wanan basin and Liletan basin, which can be exploited on a large scale.

The area boasts 3,358 species of marine life, richer than other Chinese sea areas. This is the first time to discover 43 kinds of crabs and plankton, according to biologists.



Out of 580 kinds of fish, there are some 50 exotic species in coral reefs, with beautiful appearance, along with shellfish, green turtles, sea cucumbers, hawksbill turtles and lobsters.

By using a global positioning system (GPS), the scientists have remeasured the positions of some reefs, and placed scientific research markers on some 20.

Thanks to the joint efforts by experts in hydrology, meteorology, physics, chemistry, optics and sedimentology, the exact position and depth of the deepest point in the South China Sea has been relocated, at a depth of 5,227 m, while previous foreign experts had wrongly measured it at 5,559 m.

The scientists have found that there exist unidentified "hot fountains" in the deep seabed, and a kind of oxygen-free biosphere has formed around these "fountains". They are doing further research on samples collected from there.

During the research and surveys, the experts gathered many facts proving that the Nansha Islands were discovered and developed by Chinese earlier during their history.

"There is great significance in making such a survey in the Nansha Islands," said Chen Qingchao, an official responsible for the comprehensive research, adding that "the work will be carried out further in future."

#### **Commentator Urges Promoting Young Cadres**

*HK0712043694 Beijing RENMIN RIBAO in Chinese 5 Dec 94 p 1*

[Commentator's article: "We Must Have a Sense of Urgency in Training and Selecting Young Cadres"]

[FBIS Translated Text] The Fourth Session of the 14th Central Committee "Decision" set out that: "It is imperative to firmly grasp the training and selection of fine young cadres and to work hard to bring up a large number of qualified leading members who are able to take up important posts straddling the new century." This is an important concept which displays foresight.

Currently, we are at the crucial period at the turn of the century facing a complicated international situation and our tasks for realizing the "three-step" strategic goal for the national economy and building the socialist market economic structure are extremely arduous. It is imperative for us to adhere to the party basic line which is not to be shaken for 100 years, and ensure the cause of building socialism with Chinese characteristics passes from one generation to another. Such being the case, the training and selection of a large number of qualified backbone people who will take up important leading posts straddling the new century is beyond doubt a very pressing and important task facing the party organizations at various levels.

Under the Central Committee leadership, since the Third Plenary Session of the 11th Central Committee the party organizations at various levels have earnestly implemented the principle of cadres "being more revolutionary, younger in average age, better educated, and more professionally competent," selecting and promoting some 300,000 fine young cadres to party and government leading posts at various levels based on the principle of possessing both political integrity and professional competence. As a result, the structures of the leading bodies have been improved and the building of leading bodies has been augmented in a comprehensive way. Over the past dozen years or so, China has scored eye-catching results in reform, opening up, and socialist modernization, which are inseparable from the efforts of the new generation of leading cadres. However, has the important issue of training, selecting, and promoting young cadres been resolved satisfactorily? We cannot say so as of today.

A conspicuous issue at present in selecting and promoting young cadres is that some leading cadres lack a sense of pressure in their minds. Viewing the present actual conditions, a rational echelon formation of a considerable number of leading bodies has not yet taken shape, the age of party and government responsible chief comrades especially is on the high side, and the issue of lacking candidates to replace them is comparatively conspicuous. Should we fail to grasp firmly the selection and promotion of young cadres, the phenomenon of lacking successors will repeat itself at the turn of the century. With the gradual building of the socialist market economic structure, new requirements are set on leading cadres in their quality of science and culture and a large number of leading cadres are called for who have knowledge of modern management, macroeconomics, law, banking, foreign economic relations and trade, and, especially, those who are capable of genuinely managing the socialist market economy. The structure of leadership groups also faces the tasks of readjustment and renovation. Party organizations and leading cadres at various levels should learn from proletarian revolutionaries, including Deng Xiaoping, foresight and vision and consciously do a good job of grasping firmly the selection and promotion of young cadres as their primary political responsibility in the spirit of bearing great responsibility for the future and fate of the party and the state.

Some people believe that older comrades are mature politically, have rich experience, and are weightier in dealing with whatever difficult situation might surface, thus they shrink from giving a free hand to employing young cadres. Invariably, young people are relatively simple in their experience. Should they be promoted when they have equally rich experiences as old comrades, they would have grown old themselves by then. Therefore, they should be compared with people in the same age bracket. Under the prerequisite of being good in basic qualities, more attention should be paid to young cadres' advantages and potential for development. Some believe that young people have years ahead of

them with lots of opportunities for promotion; whereas comrades older in age are approaching the "terminus" and some consideration should be shown to them. With such a mind-set of balancing and showing consideration, it is inevitable that some young cadres are being kept down. If consideration is given from the angle of immediate work, invariably comrades older in age are given priority in promotion and young cadres stay behind; under such circumstances, it would be impossible to maintain the vigor of a leading body. An ancient saying goes: "The appropriate way of employing people is to do so in their prime of life when their intelligence and energy are in full bloom." There is a very strong sense of timing in the growth of talented people; should a few years be missed, so would a whole generation. Regarding young cadres, we must employ them in a timely fashion when they are in the prime of life.

The major leading cadres of some leading bodies have problems in solidarity. More often than not, different views on cadres surface and some comrades argue against the candidates proposed by their opponents. Under such circumstances, it will be very difficult to promote some fine qualified people in a timely fashion. All leading cadres, especially those comrades bearing chief responsibility, should clearly see that selecting the wrong people is a mistake, as is stifling real talent. From a long-range viewpoint, this will inevitably incur losses to the party's and people's cause and will be committing a historical error.

Currently, in the leading bodies at the prefectural, county, and township levels, and also in large and medium enterprises as well, there are young cadres who are strong in political integrity and have comparatively high cultural qualities. They are knowledgeable in economics and capable of management and have been tempered at their posts for several, or even a dozen or so, years, with certain experience in leadership. Hence, there is great deal of room for selection. The key rests with leading cadres at various levels, especially chief party and government responsible comrades. It is imperative for them to further augment the sense of mission, responsibility, and pressure in selecting and promoting young cadres. As long as we deepen our understanding and are determined, we can do a good job of selecting and promoting young cadres. We must insure the prompt promotion of a number of fine young cadres in their thirties and forties, who have sound qualities, are professionally competent, possess both political integrity and ability to participate in party and government leading bodies at and above county levels. Regarding those with extraordinarily fine talent, they should be boldly promoted without exception, so that they can demonstrate their abilities.

The earlier one shoulders heavy responsibility, the earlier one becomes a talent and vice versa. That is the law governing any cadre's growth, which everybody knows. Comrade Deng Xiaoping said: "Talented people can be brought up only by employing them boldly." It is necessary to select and promote them to places and posts

where conditions are comparatively more arduous, with greater difficulties in work. For example, let them take charge of key projects and fulfill tasks which are urgent, difficult, and even dangerous. It is especially necessary to place those extraordinarily fine young cadres who have development potential in major leading posts. In a nutshell, young cadres should be placed in leading posts, allowed to plan for administration with work accomplishments, and mature fast, so that they can genuinely become eligible talented people for leadership who meet the requirements of straddling the new century.

#### Commentator on Preventing Illegal Publications

HK0612123494 Beijing RENMIN RIBAO in Chinese  
3 Dec 94 p 1

[Commentator's article: "With Effort To Spare We Must Pursue the Tottering Foe—Carry Out Work of 'Eliminating Pornography' and 'Cracking Down on Illegal Publications' in a Thorough and Sustained Manner"]

[FBIS Translated Text] Since the beginning of the unified nationwide action to eliminate pornography and crack down on illegal publications, all localities have attached great importance to this task and have taken rapid actions. Party and government leaders at all levels have grasped the work tightly, and the journalist, publishing, cultural, public security, industrial and commercial administrative, customs, and postal departments have also adopted effective measures. The masses actively informed on the evildoers and exercised close supervision. A number of major and serious cases were handled in good time. Along with the action to eliminate pornography and crack down on illegal publications, such ugly social phenomena as gambling, prostitution, and escort services have also been effectively checked and banned. This marks another result in the building of socialist spiritual civilization. Useful experience has been gained in the course of eliminating pornography and cracking down on illegal things, the law enforcement contingent has been tempered in the struggle, and public opinion has been formed against the dirty trades. Criminals engaged in producing and selling pornographic things have become the target of public condemnation. The situation is developing favorably.

However, this is only the beginning. The task will remain arduous for a long time. The activities of producing and selling pornography and producing illegal publications have developed on a considerable scale for a fairly long time. The problem cannot be thoroughly solved overnight or in one single movement. Various localities, especially localities with serious problems, must never relax their efforts because certain results have been achieved recently in checking the spread of pornography. If efforts are relaxed after intensive action is taken, the evil may abet to spread again. "It is necessary to chase and eliminate the remaining enemies by sparing no effort." The intensity of the crackdown should be increased further in order to deal merciless blows at the



remaining evil. Sources of pornography should be eliminated thoroughly, and effective measures should be taken to prevent pornography from appearing again. The work to eliminate pornography and crack down on illegal publications requires both punitive action and ideological education. It is necessary to let the masses, especially young people without much experience of life, understand that the work to eliminate pornography and crack down on illegal publications has a bearing on the destiny of the nation, the future of the country, and the cause of reform, opening up, and socialist modernization. In the course of establishing and developing the socialist market economic structure and realizing modernization, at all times and under all circumstances, we must not do anything at the expense of spiritual civilization. We must have a healthy environment and must bring up generation after generation of healthy new people. Otherwise, we will just get nowhere. The work to eliminate pornography and crack down on illegal publications is not merely aimed at banning and confiscating a number of bad books and obscene tapes, and it is not just a task merely for cultural departments. This is a task for the whole party and for the whole community.

At present, we should be soberly aware of the new trend in the activities to produce and sell pornography and produce illegal publications, and we should maintain a high degree of vigilance. Some bad book sellers have formed crime syndicates and have built up networks. Some of them have colluded with evil forces outside the mainland to form illegal publishing and distribution groups. In the face of stern crackdowns, the activities of producing and selling pornography in some localities have become covert and scattered, their camouflage has become more sophisticated, and their means of business have become crafty. We should also notice that some illegal publishing activities are not only aimed at reaping profits, but also have certain complicated political motives [hai you fu za de zheng zhi bei jing 6703 2589 1788 7177 4104 2398 3112 5154 2529]. In this sense, the work to eliminate pornography and crack down on illegal publications is also a round of serious political struggle. In facing the new situation, we should work out new measures. Party committees and governments at all levels must seriously consider the problems, make scientific decisions, take resolute actions, and always keep the initiative in their hands.

In the struggle to eliminate pornography and illegal publications, efforts should be focused on the key points, and we should get to the root of the matter. First, action should be taken against publications with obscene and reactionary contents and with serious political mistakes, and against principal criminals and recidivists, especially those who continue their criminal activities during the crackdown campaign. Action should be taken to crack down on crime syndicates and smash their networks and haunts. Special attention should be paid to the key links of printing and distribution in key areas. Major cases must be effectively handled. On the basis of

verifying facts and gathering reliable evidence, the criminal law must be enforced firmly as a weapon to mete out severe punishments to criminals as soon as possible. Those who should be brought to justice must be handled in this way, and criminal sanctions should not be replaced with fines.

Severe punishments must be meted out to the principal culprits without lenience. Not long ago, Beijing Municipality tried a major case according to the law and sentenced Gu Jieshu, the principal culprit, to death, and sentenced Zhang Jun, another principal culprit, to death with two years' reprieve. This effectively deterred similar criminals. In Baigou in Hebei Province, the market was flooded with pornographic goods for a time. Through fierce and repeated crackdowns, especially on lawbreakers who dared to engage in the dirty trade again after previous crackdowns, local stability and prosperity were restored quickly. In many localities, "virtue always dwarfs vice," and their experience shows that as long as the authorities are determined and adopt effective measures, they can certainly eliminate the poison of pornography.

Our constant principle is to continue promoting prosperity while eliminating pornography. We should continue to carry out this principle in the course of eliminating pornography and illegal publications. Socialist spiritual civilization relies mainly on construction, so efforts should be made to create healthier cultural products. The creation of a large quantity of good works will naturally lead to the elimination of bad works. As long as we work according to the arrangements made by the central leadership and relay on the masses in making concerted and unremitting efforts, we shall certainly be able to eliminate vice and filth and realize prosperity.

#### RENMIN RIBAO on Training Leading Cadres

HK0712050094 Beijing RENMIN RIBAO in Chinese  
4 Dec 94 p 3

[By staff reporter Chen Wei-wei (7115 4850 0251): "A Cross-Century Crucial Project—Sidelights on National Organizational Work Meeting"]

[FBIS Translated Text] From late November to early December this year, two important meetings were held simultaneously in the Jingxi Guest House, Beijing: The Central Economic Work Meeting and the National Organizational Work Meeting. This further indicated that our party is continuing to follow the principle of "grasping two links at the same time."

A great number of large caliber leading cadres who can shoulder heavy responsibility in this century and the next are essential to our economic construction, reform, and opening up as well as to our magnificent modernization enterprise. Hence, only two months after the Fourth Plenary Session of the 14th CPC Central Committee the CPC Central Committee called the National Organizational Work Conference to discuss ways to train

and promote leading cadres who have both ability and political integrity to strengthen the leading bodies at all levels.

#### **A Sense of Responsibility and Urgency**

Many comrades attending the National Organizational Work Conference believed that the priority of the agenda focused on the crucial link of party building, a great project in the new period. Some comrades said that how this crucial project proceeds will have a direct bearing on the success or failure of building socialism with Chinese characteristics, what the party will look like in the 21st century, which banner the party and the country will hold high, and on what path China will take. Comrades from various localities and departments maintained, after making an analysis of the cadre work in their own localities and departments, that though they had scored certain achievements in cadre work during the previous years, they had a long way to go to match the requirements of the central authorities and the needs of the times. In all levels of leading bodies, the number of young cadres is on the low side and some leading cadres do not have the qualities which suit the needs of the new situation. Difficult though it is, it is urgent that we solve the problems in this regard.

Many comrades believed it is necessary to heighten our awareness to fulfill this task because only then can we act readily and accelerate the work. Every participant said they would do a good job in relaying and implementing the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee and the organizational work conference, in studying and understanding the important speech by General Secretary Jiang Zemin and the report by Comrade Hu Jintao on behalf of the party Central Committee and in fulfilling their tasks in a bid to speed up the work of training and promoting competent and young cadres and of strengthening leading bodies.

#### **Studying, Training, and Administering**

Increasing the ability of existing leading cadres is also an important task for strengthening leading bodies. Many participants believed that to this end cadres must be required to study Marxist theories, sent to grassroots units to work, and must be placed under stringent administration.

Many representatives said good results must be achieved in urging leading cadres to study hard and that theoretical study must be made a common practice among cadres. Cadres must be encouraged to enhance their initiative in theoretical study, to study the party's history and China's contemporary history, and to assign time for self study. Cadres must also be told to adopt a correct attitude toward theoretical study, studying the theory in order to apply it, and emphasizing practical results. It is necessary to organize an emulation drive among cadres to see who studies more, studies more intensively, and who best applies his knowledge. Cadres must not

immerse themselves in routine matters and social intercourse, or even indulge themselves in karaoke clubs and restaurants, to the neglect of theoretical study. Theoretical study should be an important criterion for appraising cadres.

Some comrades said that most young cadres in the leading bodies have not trained themselves in the work at the grass-roots level. Some comrades are only willing to go to economically developed areas, coastal areas, and places with favorable conditions and are not ready to go to poor areas, remote areas, and difficult posts. Therefore, party committees (leading party groups) in all localities and departments should send young cadres, in a planned way, to grass-roots units or to the forefront of reform and opening up to receive training and to be tested.

Other comrades said some party organization fail to set strict demands on cadres and do not place them under stringent administration. Though the majority of cadres are good, some cadres do not have the people's interest on their minds, behave frivolously, employ trickery, and indulge themselves in creature comforts, thus endangering the party's cause and tarnishing its reputation. Against these cadres, however, some leading cadres, who seek good relations with all and sundry at the expense of principle, fail to take any action. It is necessary to put an end to this situation, setting strict demands on cadres and placing them under stringent administration. In the meantime, those cadres who acquit themselves well should be commended and their deeds popularized to foster healthy trends.

#### **Promoting Competent Cadres Boldly and Setting Strict Demands**

Many participants held that to promote outstanding young cadres as required by the central authorities, the most important thing to do is to emancipate the mind and update the concept. The conditions for promoting outstanding young cadres are better now than before because there are more competent people from which to choose. In promoting young cadres, it is essential to do away with the outmoded practices of deciding according to qualifications and seniority, demanding perfection, and lowering standards. Many comrades said that, in appraising cadres, it is necessary to find out how they implement the party's line and understand their basic political position, political inclination, ideology, and work style. At the same time, it is essential to understand their professional level and leadership and organizational capabilities. In promoting young cadres, we must judge them from every angle, taking into account both their strong points and weaknesses. Correct guidance must be provided for them so that they grow healthily. Veteran cadres should enthusiastically help young cadres to foster an ideal of serving the people heart and soul and to work for the party with utter devotion.

Some comrades pointed out the necessity to train and choose leading personnel for enterprises and scientific,



technological, cultural, and educational fields while training and selecting leading party and government cadres.

### The Key of Keys

The participating comrades unanimously believed that, since the party Central Committee has provided the guidelines and set out the requirements for training and selecting outstanding young cadres, the most important thing to do is to put the instructions into practice. Party committees at all levels, especially the leading cadres, are the key of keys in this matter. They must take personal charge of the work and take a firm and unremitting grasp of it to implement the party Central Committee's instructions to the letter.

We can never place too firm a grasp on this work. The work of training and selecting outstanding young cadres, a project spanning the next century, brooks no delay.

### 'Repetitive' Propaganda Aims To Reassure Leaders

HK0712061594 Hong Kong SOUTH CHINA MORNING POST in English 7 Dec 94 p 19

[Article from the "Analysis" page by Willy Wo-Lap Lam: "The Politics of Fear"]

[FBIS Transcribed Text] A major function of propaganda is to convert. The other is to reassure. Judging by the apparent lack of originality and persuasiveness of statements emanating from the Zhongnanhai party headquarters the past few months, they could hardly have been geared towards the former purpose.

The irony is that the massive—and repetitive—outpouring of words and sound bytes from Beijing is not even aimed at placating party members or the populace. It is meant to buttress the confidence of the very people who are uttering them.

Leaving aside its perverse variant, which was perfected by the German spielmaster Josef Goebbels, the very act of repetition yields the sense of security that comes with saying prayers of whatever faith. And although Communists are avowed atheists, quite a few of the top cadres who are mumbling their secularised mantra must have derived comfort from a sense of familiarity and self-perpetrated reinforcement.

Only such a psychology will explain the orgy of the recycling of clichés that has dominated national conferences and the media since the summer. Three themes have permeated the Zhongnanhai chorus.

In matters of organisation, leaders including President Jiang Zemin and Politburo rising star Hu Jintao have talked ad nauseam about resuscitating crumbling party cells and propagating young and trustworthy cadres for the post-Deng Xiaoping era. In economics, Vice-Premier Zhu Rongji has dwelled for the umpteenth time on the imperative of "regions and localities subserving the

overall national situation". On the media and ideology, Mr Jiang, Mr Zhu and Politburo stalwart Ding Guangen have harped on the principle of "supporting the zhongyang (party Centre) and banishing cacophonous voices".

Taking the cue from the Politburo members, the official media has run hundreds of editorials and commentaries on the same subjects. An abiding rule in China-watching, however, is that, while outwardly boring, it is rewarding to pore over the hackneyed, drabably styled, and often grammatically flawed slogans.

Firstly, the leadership's near-pathological urge to re-state wornout shibboleths betrays a deep—and growing—fear. In the face of the news blackout, we know that problems such as centrifugalism and cadres succumbing to bourgeois liberalisation have worsened simply because Beijing is compelled to cite these injunctions and exhortations at more frequent intervals.

Secondly, while different cadres may be rehashing the same material, there are subtle but tell-tale nuances. Take the national meeting on organisation work that ended last weekend. Mr Jiang, Mr Hu and the People's Daily commentator all wallowed in the same theme of recruiting "cross-century cadres" who are both modernisation-minded managers and reliable Marxists.

In a speech closing the conference, however, the new Head of the Organisation Department Zhang Qianjin evinced an ingrained Maoism when he pointed out that of the four criteria for assessing a cadre—"being revolutionary, young, knowledgeable and professional"—the first one towered over the others. This residual attachment to "making revolution" goes against Mr Deng's "economics first" doctrine.

And the People's Daily commentator went overboard last week when he claimed that all central edicts were "scientific, comprehensive and true to the facts" and that all cadres needed do was to unreservedly toe the line. This revival of the most vulgar form of Maoist statecraft runs counter to Mr Deng's teachings about "thought liberation" and "theoretical exploration".

Thirdly, as a result of the sheer tedium and frustration of having to belabour a point so often, an official may throw in something unexpectedly colourful—and inappropriate. Mr Zhu's ill-conceived fulmination against liberal "Westernised" intellectuals last month might cost him his reputation as a "reformer" if not the premier's position.

It is no secret that the Vice-Premier, concurrently Head of the Management School of Qinghua University, has a minimal level of tolerance for his academic critics. In internal meetings through the summer, the economic tsar has trashed the pro-market theories of economists such as Beijing University "stocks guru" Li Yining. Perhaps because his orders that the avant-garde voices



be barred from the media have not been observed, Mr Zhu has repeatedly upped the ante in attacks on his ideological foes.

In an outburst reported by the semi-official Hong Kong China News Agency last Thursday, the Vice-Premier blamed hyper-inflation on the beliefs of unnamed economists that free rein be given to market forces. This unexpected and somewhat irrational twist of Mr Zhu's chronic bashing of liberal opinion only shows up the Tsar's anxiety to shirk his responsibility for Beijing's abject failure to tame inflation.

Reports out of Beijing in the past week have shown a new turn to the leadership's obsessive need to replay those pep talks. Perhaps mindful of the fact that fewer and fewer party members are paying attention to those circuitous speeches and editorials, the zhongyang has begun to oblige regional cadres to join them in the ritualistic regurgitation of dogma.

Beginning last month, party committees and cells in every province and city as well as military districts and major enterprises have held shenghuohui or party life meetings in which all present are asked to publicly profess allegiance to the Jiang leadership as well as the ideal of the localities obeying the centre.

Party historians have pointed out that the results of similar exercises in mass psychology—cynics would say mass hysteria—since 1949 have been less than salutary. It did not work for former Chairman Huo Guofeng, Mao's hand-picked successor, who had tried to extract protestations of fealty from central and regional officials shortly before his fall from power in late 1978.

By definition, a public acknowledgement of faith contributes to consensus building only insofar as there is a commonality of purpose among the participants. If not, this tattered ritual only exposes hypocrisy and accentuates cracks in the monolith.

The third-generation leadership with Mr Jiang as its "core", however, seems cocooned in Mao's one-voice chamber. For want of the masses' jubilant cries of approbation, it is making do with its own narcissistic echo.

#### **State Council Holds Meeting on Tibet Construction Work**

*GW0612153394 Beijing XINHUA Domestic Service in Chinese 0900 GMT 6 Dec 94*

[By RENMIN RIBAO reporter Qu Qiyun (4234 0796 6663) and XINHUA reporter Liu Siyang (0491 1835 2254)]

[FBIS Translated Text] Beijing, 6 Dec (XINHUA)—The State Council today held a work meeting on supporting construction work in Tibet. The meeting summed up and examined the progress and situation in supporting the construction work in Tibet during the previous

period and made arrangements for supporting Tibet's construction in the next phase. The meeting called on various places and departments to sum up experiences, continue their efforts, work hard, and adopt effective measures to ensure the fulfillment of the tasks of supporting Tibet's construction work according to the plan.

Luo Gan, state councillor and concurrently secretary general of the State Council, presided over today's meeting. Responsible persons of concerned departments made reports at the meeting. Responsible persons of the Tibet Autonomous Region also spoke at the meeting.

It was learned from the meeting that, after the Third Central Forum on Work in Tibet, various localities and departments have seriously implemented the guidelines of the central forum and promptly dispatched work teams to Tibet. Through on-the-spot inspections, the study of construction projects and the examination of designs, various units have further improved construction plans. Now, preparations for most aid projects are completed and actual construction work has started for those projects. Many places have strengthened economic and technological cooperation with Tibet on the basis of mutual benefit and supplementing each other's advantages. They have vigorously supported Tibet with equipment, technology, training of personnel, and administrative and consultative services. In addition, they have helped Tibet develop a processing industry of marketable goods by utilizing locally available resources with low consumption of energy. Some localities, which were also hit by natural disasters and had economic difficulties, have taken the whole situation into consideration and actively supported Tibet's construction while striving to overcome their own difficulties.

In his speech, Luo Gan pointed out that the overall work to support Tibet's construction has been making progress, that the arrangements made at the third central forum on having the whole country help Tibet speed up development are being implemented, and that a good foundation has been laid for further developing Tibet's economy.

Luo Gan called on various places and departments to further strengthen their leadership over the work of supporting Tibet in line with the unified arrangements made by the CPC Central Committee and the State Council, seriously sum up their work in the earlier period, find out problems and shortcomings, adopt effective measures, and make arrangements for work in the next phase. He called on various units to ensure good quality and progress of construction work and complete various construction projects on time so that those projects can have productive results. He also called on various units to help Tibet train operational, management, and technical personnel and raise managerial skill, and to give full play to economic and social benefits of those aid projects so as to benefit people in Tibet.

In conclusion, Luo Gan pointed out: Various places and departments should coordinate closely with Tibet

Autonomous Region, discuss various matters together, properly organize various tasks, work in a solid manner, unite as one, and make still greater contributions to successfully completing the aid tasks put forward by the CPC Central Committee and the State Council and promoting a faster economic and social development in Tibet.

#### **Commentary Urges Orderly Movement of Migrant Workers**

*HK0612145794 Beijing XINHUA Domestic Service in Chinese 2129 GMT 3 Dec 94*

[Commentary by XINHUA reporter Jiao Ran (3542 3544): "Orderly Movement of Migrant Laborers Is Conducive to Social Stability"]

[FBIS Translated Text] Since the late 1980's, a large number of redundant laborers from rural areas have kept on swarming into the coastal and economically developed areas to seek jobs, and this has become an amazing social phenomenon.

The employment of redundant rural labor force through population movement is conducive to the utilization of human resources and the rational allocation of the elements of production. The prosperity of the coastal and economically developed areas in recent years could not have been achieved without the hard work and great contributions of the vast number of migrant laborers. These positive factors should be fully acknowledged.

However, on the other hand, we should also be aware that an irrational, intensive, and excessively massive influx of migrant laborers into certain areas within a very short time during the Spring Festival transport high season every year very much exceeds the demand from the urban and economically developed coastal areas for workers from the rural areas, and it also outstrips by far the existing transport capacity, thus disrupting the normal order of production and everyday life in both urban and rural areas. Consequently, some peasants travel to and fro in vain, resulting in a waste of both human and financial resources. Failure to keep the movement of migrant laborers in good order will inevitably jeopardize economic development and social stability, thus undermining the long-term interests of the state and the people.

According to a forecast by the department concerned, during the 60-day Spring Festival transport high season in 1995, the country's total train passenger transport volume will exceed 200 million people, which is about 15 million passengers more than 1994's Spring Festival transport season. If the trans-provincial movement of migrant laborers in their tens of millions turns out to be a "migrant laborer tide," this will cause many problems.

In this connection, the State Council recently called a special meeting to seek a solution to ensure the orderly transportation of migrant laborers during the Spring Festival transport high season next year. The meeting

demanding that local authorities make sure that more than 60 percent of imported laborers stay where they work and spend the Spring Festival there; all employers in coastal areas, and Beijing, Tianjin, and Shanghai who import rural laborers should suspend recruitment of migrant laborers for a month after the Spring Festival; and labor administrative departments should exercise centralized control over the recruitment of imported laborers and should ensure the orderly movement of migrant laborers.

The orderly movement of migrant laborers has an important bearing on reform, development, and stability nationwide. Governments at all levels must be fully aware of the great importance of this task, take the overall situation into consideration, and conscientiously carry out the State Council's instructions.

Ensuring good order in the movement of migrant laborers is also a task which involves the public and all sectors of the community. While implementing the state's policies and measures concerned, governments and departments concerned at all levels must work patiently and meticulously to convince the public and make arrangements in an effective and down-to-earth manner. They should not expect to achieve their aims by simply issuing orders, and still less should any of their actions arouse grievances among the public.

From a long-term point of view, to ensure the orderly movement of migrant laborers between different regions, the ultimate solution lies in the intensive development of agriculture, the growth of township and town enterprises and tertiary industry in rural areas, the acceleration of the construction of small towns, and the creation of job opportunities to accommodate redundant rural laborers locally. Governments and departments concerned at all levels must step up investigations and studies, formulate policies and measures as soon as possible to solve the problem, and discover practical and effective methods. It is necessary to establish a nationwide centralized, open, and well-organized labor market as soon as possible, and we should try to perfect market regulations as well as service networks to promote the rational movement of the labor force to suit market demand.

#### **Conference Urges Society To Take Care of Elderly**

*HK0712070494 Beijing CHINA DAILY in English 7 Dec 94 p 1*

[By Xu Yang: "Experts Ask Help From Everyone For Seniors"]

[FBIS Transcribed Text] Individuals, families, communities and the State should join hands to support China's increasing older population, aging experts said at a national conference on Monday [5 December] in Beijing.

They warned the present system will be insufficient to sustain the impact of "grey tide"—127 million people over age 60 by the year 2000.



In urban China, most senior citizens rely on government pensions; in the rural area, they mainly depend on their families.

Experts from the China Aging Science Research Centre on Monday announced results of a four-year long UN-funded survey at the National Conference on Support System of Chinese Elderly.

Beginning in 1990, centre experts sent questionnaires to 9,899 randomly sampled urban old people and 10,194 rural aged in 12 provinces, municipalities and autonomous regions.

They found that because of the sharp decrease in the death rate, the aged population is expected to rise by 2.9 per cent annually by the end of the century and make up 9.81 per cent of the population in 2000.

This means that 100 working people will have to support 15.36 aged people as well as themselves and younger generations.

Anticipating increasing pressure, China initiated pension system reforms in the mid-1980's to shift the payment burden from individuals or single enterprises to the whole society. Payments will be as high as \$150 billion annually in 2000.

About 103 million urban workers, including 17 million retirees and 45 million rural people have participated in nationwide aging insurance reform.

In urban areas, employees buying insurance are required to pay 2 or 3 per cent of their monthly income to the insurance fund; employers put in the equivalent of 15 per cent of the employee's salary. The State also contributes through tax revenues.

Farmers over age 20 are asked to deposit 2 to 10 yuan per month to personal insurance accounts so they can receive steady pensions when they turn 60 years old.

The problem is the average pensioner receives far less income than the average Chinese. The gap between urbanites and farmers, and men and women also is very wide.

The survey said in 1991, senior citizens' disposable income averaged 1,697 yuan (\$200) in cities, which is 16 yuan lower than the average living costs of urbanites. In rural areas, the disposable income of seniors equaled the living cost of 710 yuan (\$84) a year.

Rural aged can earn only 40.5 per cent of their urban counterparts; women's income is only about 61.9 per cent of men's.

Paying for this is already a heavy burden on a fragile State budget.

As the number of nuclear families increases, aged people also will have to worry about their daily care which used to come from family members. Experts stressed the aging

problem should get equal attention with family planning when the State drafts population policies.

While completing the social security system in urban areas, the role of family and community also should be emphasized.

The experts suggest giving subsidies to those who look after their old parents and low-income families.

In rural areas, they suggest further popularizing pension insurance by providing aid to individual families.

To provide better living conditions for senior citizens, 260,000 nursing homes for 85 per cent of local communities must be set up by the end of this century, they said.

There were about 112,000 community service centres and 40,782 nursing homes at the end of 1993.

The experts also urged exploration of the great "silver market", to provide fee services such as washing, cleaning, shopping and health care.

#### **Inflation Erodes Funds as Number of Retirees Rises**

*HK0612135594 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0649 GMT 17 Nov 94*

[FBIS Translated Text] 17 Nov (ZHONGGUO TONGXUN SHE)—By early next century, the number of Chinese retirees is expected to have reached a peak, and the government has accumulated 20 billion yuan in reserve funds to deal with the problem, a responsible person from the Ministry of Labor indicated not long ago.

This huge reserve fund is the direct fruit of the Ministry of Labor retaining 2 to 8 percent of staff and workers' wages in the mid-1980's, which was based on state policy. In China's state-owned firms, over 95 percent of staff and workers participate in this project, and the proportion of staff and workers in collective and privately owned enterprises is 76.2 and 64.3 percent respectively.

This responsible person said that the fundamental aim of implementing the pension reserve fund system is to conduct the redistribution of social wealth to insure the basic subsistence needs of every retired worker and staffer. Presently, China's average inflation rate exceeds 16 percent, and the pension reserve fund is devaluing at an annual rate of 4 to 8 percent. If the relevant government departments fail to make prompt and effective arrangements, the huge retired population will pose a stern challenge to China's social welfare system.

#### **Column Urges Stricter Rules Against Athletic Doping**

*HK0712073294 Beijing CHINA DAILY in English 7 Dec 94 p 4*

[By Guang Li from the "To the Point" column on the "Opinion" page: "All That Glints Isn't Good"]



[FBIS Transcribed Text] The report that 11 Chinese competitors in October's Asian Games in Hiroshima, Japan, have tested positive for drugs came as a shock to sports fans.

The offences, individual cases as they are, bring disgrace to the country's sports and its reputation.

In an announcement over the weekend, the Chinese Olympic Committee (COC) vowed to thoroughly investigate the cases and severely punish the offenders in accordance with both international and national regulations.

Further, the Olympic Council of Asia on Sunday [4 December] decided to withdraw Asian Games medals awarded to the drug-taking competitors. What they are being deprived of is not only metal medals, but dignity.

Sports have been the most efficient means in keeping people physically and mentally fit and healthy. But the over-commercialization of some competitive sports has driven money and fame chasers to employ the use of stimulants. Such a practice not only ruins their own health but also spoils the principle of fair competition.

The COC and its affiliated sports associations have always maintained a stern stance against doping. As early as 1989, it declared its principle of "strictly banning, carefully investigating and severely punishing" drug users.

In fact, some offenders have been caught and punished according to relevant regulations. However such cases failed to draw enough of our attention.

The newly-discovered cases show there are still many loopholes in the enforcement of the regulations.

The case, the biggest ever discovered concerning one national sports delegation, should put our sports organizations on alert: it is more important to help the athletes observe correct sporting ethics than to give them powerful muscles.

The new case also indicates that Chinese regulations on doping control are not sufficient to deter. Stricter rules should be worked out to discourage drug taking.

China is eager to see its athletes capture more medals, but such medals should be won in an honest way and should be 100 per cent pure in gold, silver or bronze—and effort.

#### **Forced Dismissal of Gangwashi Pastor Said 'Untrue'**

HK0712060894 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0846 GMT 6 Dec 94

[FBIS Translated Text] Hong Kong, 6 Dec (ZHONGGUO TONGXUN SHE)—In an interview with a staff reporter, the Chinese department concerned said that a Hong Kong medium's report today, which quoted THE ASSOCIATED PRESS as saying that "Beijing required

Chief Pastor Yang Yudong of the Gangwashi Church to step down from the altar and announced his dismissal from the post of chief pastor," is totally untrue. Moreover, the report alleged that the main reason for Yang's dismissal was that he "is full of democratic ideas, and spares no effort to keep himself and his congregation from supervision by the mainland authorities."

The department concerned said the fact that 74-year-old Yang Yudong no longer acts as chief pastor of the Gangwashi Church is entirely a matter for the religious circle. As early as April 1993, the Beijing Municipal Christian Church Affairs Committee and the Beijing Municipal Three-Self Patriotic Movement Committee of Protestant Churches decided that chief pastors aged 70 or older should no longer continue to act, so that young clergy can succeed them. Accordingly, with the exception of the Gangwashi Church, all the other churches in Beijing already have resolved the succession question in a satisfactory way.

The department added: Yang Yudong's recent retirement from the Gangwashi Church was a question of normal succession in the church, and there was no such thing as a "forced dismissal from post." The large number of believers very much approve of and support this. However, it is very normal that some believers hold different views. We believe that they will properly settle the matter, which is fully an internal matter of the Christian church.

#### **Church Members Protest Dismissal**

HK0712064894 Hong Kong EASTERN EXPRESS in English 7 Dec 94 p 8

[By Bruce Gilley]

[FBIS Transcribed Text] More than 2,000 members of Beijing's Gangwashi church are threatening to walkout after their popular preacher was stripped of his authority. The Christians say they will carry on worshipping in private homes and halls unless some accommodation can be reached with Beijing's religious authorities.

Yang Yudong, 73, was formally removed as pastor of Gangwashi on Sunday [4 December], the latest chapter in a year-old campaign of threats and intimidation against the officially registered Protestant church.

Leaders of the congregation yesterday met the newly installed pastor, Yu Xinli, to discuss changes that could be made to the normal activities of the church. "We have to decide whether the congregation can continue to live under this new regime," Li Dequan, the church committee head, said last night. "If we cannot carry on as usual, then we will go to other places to continue our weekly worship," he said.

New regulations announced in February ban religious activities in unauthorised places of worship, including private homes. While the entire Gangwashi congregation

could not be accommodated in a single venue, Li said, church leaders had already mapped out a set of places and a schedule that would make a walkout possible.

It was uncertain whether Yang would preside over the services since he was "still considering countermeasures", Li said. At yesterday's meeting, Yu indicated that he did not want to see more violence at the church, which has already seen two congregation members severely beaten by police. "He said he just wanted to take over the powers as senior pastor. But this is just talk; we will have to see what actions he takes," Li said.

An official from the China Christian Council (CCC) pledged last night that Yang would be allowed to remain on the "second line" at the church. "This does not mean Yang has been chased away," Shi Zesheng, the deputy chairman of the Beijing branch of the CCC, said. "He will stay to help with the training of the young pastors."

Shi, who stood on the pulpit with Yu on Sunday to announce the change in pastors, said that Yang was unwilling to give up his power in line with new regulations in the city requiring all clergy over 70 to step down. "He tried to oppose the decision and then some others used the opportunity to stir up trouble," Shi said. "He never came to terms with the age regulation, so after a series of meetings last week, we decided it was time to implement the decision to remove him."

Shi defended the credentials of Yu, who is in his early 50s, despite claims by congregation members that he is unfit to be a pastor. "He went to theological school in the 1950s and has worked in the church ever since," Shi said. "The other pastors in Gangwashi are much too young to be the principal pastor."

#### Column Praises Shanghai's Ban on Smoking

HK0712074994 Beijing CHINA DAILY in English 7  
Dec 94 p 4

[By Chong Zi from the "To the Point" column on the "Opinion" page: "Shanghai Goes Smokeless"]

[FBIS Transcribed Text] Shanghai people are now breathing cleaner air than most citizens in China thanks to a provisional no-smoking rule at all of the city's public sites. The rule went into effect on December 1.

Nicotine addicts will now feel uneasy in the city's department stores, on public transport, in schools and hospitals.

It seems likely that other cities will follow Shanghai's good example and protect their non-smokers against fumigation.

China not only has the largest population in the world, but also the most smokers—some 300 million—accounting for 25 per cent of smokers around the globe.

Medical experts say that over 4.4 million Chinese people die of smoking-related illnesses annually. Cigarettes are the biggest killer in China.

Banning smoking will go against the customs of society. Cigarettes are welcome gifts from those who want to oil the wheels of their business talks.

It is time to do away with the custom of giving cigarettes to guests, which has traditionally been regarded as a sign of hospitality.

However, it is too naive to expect a smokeless China to develop overnight because the tobacco sector is one of the most profitable parts of national industry.

In 1993 the industry, the number one tax payer, churned out 41 billion yuan (\$4.8 billion) in profits and taxes. The figure is expected to be 50 billion yuan (\$5.8 billion) this year, accounting for 10 per cent of the nation's revenues.

In some counties the tobacco industry is the pillar of the local economy, producing 60 to 80 per cent of local incomes.

Thus some argue that smoking is beneficial. But, in fact the state spends more money on medical care for patients suffering from smoking related diseases and fires.

Despite the importance of the livelihoods of those in the cigarette factories, it is time to begin scaling down the tobacco industry. Higher taxes need to be levied on cigarettes producers and smokers. Those laid off in the sector should be diverted into new productive occupations.

Let's hope that more cities follow Shanghai's example in the war on smoking.

#### Science & Technology

##### Nuclear Safety Laws, Regulations Being Formulated

HK0712061694 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 0739 GMT 17 Nov 94

[FBIS Translated Text] Beijing, 17 Nov (ZHONGGUO TONGXUN SHE)—China has strengthened its nuclear safety supervision and management over the last 10 years. A legal system on nuclear safety has basically taken shape.

As revealed by the State Nuclear Safety Bureau, the Atomic Energy Law by which China uses nuclear energy for peaceful purposes, has been drafted and soon will be submitted to the National People's Congress for examination.

Since the establishment of the State Nuclear Safety Bureau, China has formulated a series of nuclear safety laws and regulations by referring to the experiences of the International Atomic Energy Agency [IAEA] and

advanced countries in light of its specific conditions, and has applied the license system to all civilian nuclear energy facilities. The Chinese State Council has promulgated the Regulations on the Supervision and Management of Civilian Nuclear Facilities; the Regulations on Controlling Nuclear Materials; and the Regulations on Emergency Management of Nuclear Accidents in Nuclear Power Stations. The State Nuclear Safety Bureau has promulgated 16 nuclear safety regulations and their implementation details; 60 nuclear safety rules; and a number of documents on nuclear safety technology. Nineteen other rules and regulations are being formulated and will be announced.

#### **Satellite Ground Station Completed in Tianjin**

*OW0512122994 Beijing XINHUA in English 1143 GMT 5 Dec 94*

[FBIS Transcribed Text] Tianjin, December 5 (XINHUA)—A major satellite ground station, capable of transmitting local television signals to Asia, Africa, Europe and part of Oceania, has been completed today in this port city in north China.

Officials said that the ground station is part of the key projects to serve the coming 43rd World Table Tennis Championships to be held in the city next year.

With two sets of antennae and completed sets of telecommunications equipment, the ground station provides four wide frequency bands and dual channel sound TV paths via the satellites above the Pacific and the Indian Ocean.

It is also capable of providing paths for 1,170 long-distance telephone calls.

Main equipment of the ground station were imported from the United States.

#### **Country Expresses Concern Over Lost Satellite**

*HK0712092994 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0847 GMT 22 Nov 94*

[FBIS Translated Text] Guangzhou, 22 Nov (ZHONGGUO TONGXUN SHE)—Chinese experts are very concerned about the whereabouts of China's 15th retrievable satellite which lost control while operating in space.

So far, more than 4,520 satellites have been launched to outer space, of which some 2,180 have fallen due to loss of control and various other reasons. One can see from this that it is not unusual for satellites to fall from outer space due to loss of control. Why then has the fall of China's 15th retrievable satellite caused the astonishment and concern of people on earth? It is because the satellite carries 1,000 numbered stamps specially made by the China Aerospace Philatelic Association and 3,000 first-day covers manufactured by the China Satellite Launching Agency Hong Kong Ltd. The satellite also carries a circular metallic bucket that contains 235 personal articles many of which are precious ornaments

and jewelry. Moreover, the satellite also carries credit cards and photos of memorable significance and 194 calling cards.

In 1988, the Chinese Government became a signatory to the International Agreement on the Rescue and Sending Back of Spacemen and the Returning of Materials Launched into Outer Space. According to the agreement, whichever country the satellite may fall onto and whichever people may pick it up, it must be returned to China its owner. Chinese experts think it is impossible for the satellite to burn since high-temperature resistant materials have been painted on its surface. Precisely because of this, Chinese experts are stepping up the tracking of the satellite. It is still unknown which country the satellite will finally fall on.

#### **Beijing Astronomers Glimpse 'Kuafu No.1' Satellite**

*OW0512100694 Beijing XINHUA in English 0830 GMT 5 Dec 94*

[FBIS Transcribed Text] Beijing, December 5 (XINHUA)—Beijing observatory reported to have spotted the "Kuafu No.1" man-made satellite launched by China in February this year.

The satellite is one of the two satellites, "Pratice No.4" and "Kuafu No.1", launched by China by one rocket on February 8, with the latter serving as an experiment in launching foreign man-made satellites.

Astronomers from the observatory said that "Kuafu No.1" is quite difficult to track because of its high speed and lack of brightness in space.

In cooperation with Zijinshan Observatory located in Nanjing, capital of east China's Jiangsu Province, which has been keep track of the satellite, Beijing observatory took two photographs of the satellite when it moved to more than 30,000 kilometers from the earth, with the help of the advanced Schmidt-telescope.

Through the observations, astronomers discovered the satellite's frequent changes in brightness, which helped in determining its speed of rotation.

In the process, Chinese astronomers took advantage of the large range and high sensitivity of the Schmidt-telescope to capture the traces of the satellite successfully.

#### **Symposium on Aerospace Science, Technology Ends**

*OW0612163994 Beijing XINHUA in English 1603 GMT 6 Dec 94*

[FBIS Transcribed Text] Beijing, December 6 (XINHUA)—The number of China's civil communications satellite transmitters will top 60 in 1995, when the new "Dongfanghong No.3" and "Asia-Pacific No.1" communication satellites are put into operation, according to a



Chinese symposium on aerospace science and technology which closed here today.

Officials said that by that time China will be the biggest communications satellite transmitter user in the Asia-Pacific region.

China has achieved considerable progress in satellite communications since launching its first home-made "Dongfanghong No.2" static communications satellite in 1984.

At present, China operates a total of 31 civil communication satellite transmitters, which are linked to four man-made satellites—the "Zhongxing No.5", the "Asia No.1", the "Dongfanghong No.2" and a Soviet man-made satellite. The "Zhongxing No.5", purchased from the United States, now carries as many as 23 in-use transmitters.

Among the 31 transmitters, 13 are for mass-communications, four are for special communications and the other 14 transmit television programs.

In addition, the China broadcast satellite corporation has unveiled another two aerospace programs, including starting the operation of three transmitters installed on the "Asia No.2" communications satellite after 1995 and putting the "805" man-made satellite into use around the year 1996.

The "805" satellite, jointly purchased by China and the International Communications Satellite Organization, is to transmit more TV programs than any other communications satellite in the Asia-Pacific region.

In another development, China now has four government-funded or joint satellite companies running communications satellites, of which the China Broadcast Satellite Corporation, Asia Satellite Corporation and the Asia-Pacific Satellite Corporation possess a total of 200 transmitters.

#### High-Precision Laser Coder Passes Evaluation

OW0712061494 Beijing XINHUA in English 0520  
GMT 7 Dec 94

[FBIS Transcribed Text] Changchun, December 7 (XINHUA)—A small high-precision laser coder, which is widely used in aviation, and the aerospace and robotics industries, has passed state technical appraisal in this capital city of northeast China's Jilin Province.

Invented by the Changchun Optics Fine Machinery Institute under the Chinese Academy of Sciences, the LRE-58 laser coder is small in size with a round grating of only 33.8 mm in diameter, thus effectively reducing the size of a traditional high-precision coder, experts say.

"The part of a robot installed with traditional coder would be larger than a basketball," said Ai Hua, head of the experts group that made the invention.

Chinese experts say that they applied the law of light diffraction to the measurement of angular displacement, giving the coder a measurement 10 times more precise than that made from the traditional technology and a response 15 times greater.

The small laser coder will be widely used in such high-tech automated fields as robotics, precision angular measurement equipment, and aerospace instruments among others.

Only a few developed nations are capable of producing such laser coders, according to experts.

#### Military

##### Beijing Military Leaders Resign Over 20 Sep Killings

HK0712111194 Hong Kong LIEN HO PAO in Chinese  
7 Dec 94 p 10

[By Wang Yu-yen (3769 3768 3601): "Case of Soldier Shooting People in Beijing Results in Stepping Down of Commander and Political Commissar of Beijing Garrison Command"]

[FBIS Translated Text] The aftermath of the 20 September killing spree in Beijing by a serviceman, which shocked China and the world, is still making itself felt today. It was learned that the commander and political commissar of the Beijing Garrison Command have stepped down because of the case.

On 20 September, during the Mid-Autumn Festival, Lieutenant Tian Jianming, company commander of No. 12 Regiment of the 3d Division of the Beijing Garrison Command, carried out a shooting spree from his barracks all the way to Jianguomen, causing many dead and wounded. Based on the most recent statistics, unpublished by the mainland authorities, the case caused 15 deaths and 60 wounded. Of the 15 dead, six were servicemen, and the rest were ordinary people.

Although Tian Jianming was shot dead on the spot, the fact that such an event took place in the capital has shocked Zhongnanhai; in particular, the very fact that the killer belonged to the cream of the People's Liberation Army guarding the capital made the CPC top echelon and the Central Military Commission quite ill at ease. It was learned that shortly after the tragedy, the central authorities ordered the Beijing Garrison Command to conduct a thorough review of the incident. The commander and political commissar felt qualms of conscience and said they would bear the consequences of the incident. As a result, both of them stepped down.

##### Zhang Wannian Inspects New Recruits From Colleges

HK0712060794 Beijing JIEFANGJUN BAO in Chinese  
22 Nov 94 p 1

[Report by Ma Xiaochun (7456 2556 2504), and special correspondent Zhang Dongwen (1728 2639 2429):

"Some 600 College Graduates Are Enlisted; Zhang Wannian Encourages Them To Devote Themselves to National Defense"]

[FBIS Translated Text] Taiyuan 21 Nov (JIEFANGJUN BAO)—After three months of concentrated training for new recruits, 640 college graduates have officially joined the rank and file of the People's Liberation Army (PLA). Not long ago, General Zhang Wannian, CMC member and concurrently chief of the general staff, made a special trip to the PLA General Staff Headquarters' training base for college students to pay a cordial visit and to extend regards to this batch of college graduates, who have given up literature for a military career. He praised them as China's new generation of young people with aspirations, and expressed the hope that they would render meritorious service in the Army.

The 640 college graduates were recruited from some 200 institutes of tertiary education—including Beijing University, Chinese People's University, and Nankai University—and were selected from among some 2,000 applicants. Students pursuing doctoral and postgraduate degrees accounted for 11 percent, and female students accounted for one-third of the total. In their interview with this reporter, Yin Fei, a returned student from overseas with a doctorate, and Dou Xueli, a woman student pursuing a doctorate at the China Academy of Sciences said: To join the Army to defend the motherland is the obligation of every citizen. Defense modernization calls for hi-tech people; to apply what one has learned to areas where the motherland has the most need will best embody one's value concept on life. Jia Ni, a graduate from the Beijing Film College Department of Performance who has played various roles in several movies and teleplays and become famous for the starring role in "Sai Jinhua," told this reporter that joining the Army used to be her childhood dream. Support and encouragement from her family made her firmly take the road of pursuing a military career.

Zhang Wannian fully affirmed and enthusiastically encouraged this batch of college students for enlisting the Army to serve the motherland. Having heard their ideological reports, inspected their dorms, and reviewed the troops, he indicated: To accept college graduates from localities to work in the Army was an important decision by the Central Committee and Central Military Commission, based on the Army's long-range construction; it will play an extremely important role in improving the structure of qualified people, instilling vitality and vigor in the troops, and elevating the quality of science and culture of the PLA.

Zhang Wannian hoped students recruited with honor would firmly establish the thinking of cherishing the Army; devote themselves to national defense; bring forward the spirit of the times characterized by selfless devotion; correctly handle the relations between personal interest and the revolutionary cause; stand various tests in gain and loss, fame and wealth, and hardships

and happiness; firm up their correct choice; and resolutely devote themselves to the People's Army and national defense.

#### PLA Strengthens Political Work in Military Training

OW0712120594 Beijing XINHUA Domestic Service in Chinese 0223 GMT 7 Dec 94

[FBIS Translated Text] Beijing, 7 Dec (XINHUA)—According to relevant departments under the People's Liberation Army's [PLA] General Political Department, since the beginning of this year, all PLA units have vigorously strengthened political work in military training, giving full play to service and security to guarantee fulfillment of military training and training reform.

Early this year, the General Political Department issued the "Opinions on Further Improving Political Work in Military Training," while the Navy's Political Department and the Beijing, Lanzhou, and Guangzhou Military Regions have handed down instructions on political work in military training, and the Chengdu Military Region has formulated the "General Principles on Political Work in Military Training." A number of leading cadres have conducted in-depth investigations and studies at training grounds to explore and sum up new ideas and methods on how political work in military training can be further strengthened. Party committees and political organs in all units have persisted in taking military training as the core while giving out various assignments. Units under the Air Force and the Shenyang and Nanjing Military Regions have voluntarily linked political work to whatever training they undergo by taking the initiative to conduct, within the political framework, research and seek solutions to ideological issues that have emerged during training, with an emphasis being placed on enhancing the units' combat effectiveness.

Tightly grasping the central link of ideological education to arouse training enthusiasm among the broad ranks of officers and men, all units have widely unfolded education on military functions, soldiers' responsibilities, and situational combat readiness [xing shi zhan bei 1748 0528 2069 0271]. To inherit and carry forward the PLA's glorious traditions and promote education on socialism and patriotism in a concrete way, all units have widely conducted education on loving the forces by learning military skills well. The Jinan Military Region and other units have organized discussions on "training values," an effort not only to guide officers and men to foster correct training values, but also to establish and improve a training motivation mechanism in consideration of actual conditions.

While all units have fully brought out grass-roots cadres' exemplary, leading roles on the training grounds, many of them also take political work in military training as an important means to carrying out the "Army Grass-Roots



Building Guidelines," resulting in the successful training of a large number of principal officers at battalion and company levels. Experience-exchange meetings on political work in military training were organized by the Second Artillery Corps and other units, where a host of company commanders and instructors who have been ably leading soldiers in training were commended.

**Xinjiang PLA Units Deploy Recruits, Veterans by Plane**

OW0712104094 Urumqi XINJIANG RIBAO in Chinese  
2 Dec 94 p 1

[By reporter Xiao Yang (5135 7122) and correspondent Li Jianxin (2621 1696 2450): "Units Stationed in Xinjiang Begin Sending Veteran Soldiers and Receiving New Recruits Via Air Transportation"]

[FBIS Translated Text] On 1 December, the Urumqi Airport, veiled by a thin haze, was bustling with noise and excitement. The first group of new Xinjiang Military District recruits happily boarded civilian airplanes to fly to Kashi. This was the beginning of air transportation to deliver new recruits to their posts and bring back veteran soldiers who have been discharged from active military service in 1994.

This year, the Central Military Commission decided to continue using airplanes for transporting new and veteran soldiers to and from southern Xinjiang. Accordingly, two military air routes were opened, namely Xianyang—Kashi—Xianyang and Urumqi—Kashi—Urumqi. The China Airline Company, the Xibei Airline Company, and the Xinjiang Airline Company have dispatched many airplanes to take part in the transportation. Soldiers from the Army and Air Force in southern Xinjiang who have been discharged from active military service, and new recruits being deployed to southern Xinjiang will all return home or report for duty by airplane.

Fu Bingyao [0265 4426 5069], Lanzhou Military Region deputy commander and concurrently Xinjiang Military District commander, and Wang Yousan, autonomous regional government vice chairman, went to the airport to send off the new recruits and deliver speeches. They called on the military units and local authorities to carefully organize ground and air transportation and ensure the accomplishment of the transportation task in a safe and satisfactory manner. Pan Zhaomin, Lanzhou Military Region deputy political commissar and concurrently Xinjiang Military District political commissar, took part in a ceremony for the first air transportation flight.

**Army Sets Up Work Appraisal System for Leading Cadres**

HK0612153094 Beijing XINHUA Domestic Service in Chinese 2132 GMT 4 Dec 94

[By Wu Baolin (0702 1405 2651) and Chen Hui (7115 6540)]

[FBIS Translated Text] Beijing, 4 Dec (XINHUA)—A system instituted by a group army attached to the Beijing Military Region, under which leading cadres' performance in economic work is audited has promoted clean government among party committees at all levels, according to the military region, which is popularizing this practice among its units.

The procedure, called the Leading Cadres' Economic Work Performance Auditing System, mainly targets the performance of leading cadres in carrying out and observing state and Army financial and economic policies, principles, and disciplines, the outcome of their decisions, the economic viability of their budgets, their management capability and quality, their expense account and reimbursement procedures, and their management of finances and observation of the law by leaders of manufacturing units in business operations. The system keeps a file on the economic responsibility of each cadre audited, which documents the basic financial condition, the efficiency of his economic management, results achieved in army building, the main causes of extra-budgetary expenses and overdrafts and the persons responsible, complaints from the people, party committee appraisals, and the results of audits during his term of office to be used as future reference in cadre evaluations.

From audits of divisional and regimental leaders carried out over the last year, the group army was able to discover "short-term behavior" in work among some of them, who disregarded the economic endurance ability of their units, did not work for their units' long-term interests, and were short-sighted. Some departments competed with each other in spending and launched repetitive projects, and some leading cadres gave the personal go ahead to large-scale projects instead of strictly abiding by the annual budget. Units and leading cadres guilty of serious offenses have had their names disclosed at rallies or criticisms against them announced, and possible organizational action is in the offing. Such moves have sent shock waves through leading cadres.

However, in its auditing work, the group army has also commended units pursuing thrift and which are careful with their expenses, thus highlighting correct practices. A division was under poor management and in the red a few years ago. But the new leaders struggled arduously, paid all the debts, put the house in order, covered expenditure, and was commended by the group army party committee. Among leading cadres in units, auditing has created a nascent climate of responsibility in decisions, the principled use of power, operations governed by rules and regulations, and expenditure determined by efficiency.

**Armed Police Corps Holds Conference**

HK0712064194 Beijing JIEFANGJUN BAO in Chinese  
13 Nov 94 p 1

[By reporter Chen Shenggeng (7115 3932 1649) and special correspondent Pang Shiming (3382 0099 2494):



**"Armed Police Corps Improves Its Capability of Performing Duties and Coping With Contingencies"]**

[FBIS Translated Text] Beijing, 12 Nov (RENMIN RIBAO)—The distinct theme at the Armed Police Corps [APC] Headquarters Work Conference, which ended today, was to strengthen the building of command organs, deepen the reform of education and training, and enhance the APC's capability of performing duties and coping with contingencies under modern conditions. The conference also introduced some new measures. APC Commander Ba Zhongtan, Political Commissar Zhang Shutian, and other leading comrades gave speeches at the conference.

Last year, General Secretary Jiang Zemin clearly instructed the APC that it should enhance its capability of performing duties and coping with contingencies under modern conditions. Proceeding from the question of how the APC should adjust to the need of performing duties and coping with contingencies under modern conditions, the conference studied how to further strengthen the overall building of command organs and deepen the reform of education and training. Participating comrades held that the main characteristics of the APC's military work are embodied by "two strong ones"; namely the strong political and the policy nature of the APC in performing duties and the strong contingency of coping with contingencies; and "four great ones," namely that performing duties and coping with contingencies are highly demanding and have great social influence; there is great difficulty in organizing, commanding, and coordinating for coping with contingencies; there is great difficulty in managing the highly scattered APC troops; and there is great difficulty in educating and training APC troops given the wide range of subjects involved in education and training. The conference set goals for the building of APC command organs and proposed building them into military leading organs that are politically firm, rationally organized, well conversant with their professional skill, strong in work character, and advanced in the means used so that the APC troops can be organized more effectively for the sake of safeguarding national security and social stability. Regarding the question of deepening the reform of education and training, the conference studied the question of how to put education and training in a strategic position and achieve "four closeness's" in education and training, namely offer close-to-reality training to APC troops and close-to-real-battle training to mobile APC troops, academy and school education should come close to APC troops, and the organization and command training for leadership organs should be close to the demand of performing duties and coping with contingencies under modern conditions. The conference also stressed the need to take the "four closeness's" as the starting point and standing point of training reform. Participating comrades discussed the revised Work Regulations for the APC Headquarters, the Several Regulations for Military Training, and the Outline of Military Training and this would promote the regularization and

standardization of the building of command organs and of military training in a still better way.

### **Military Logistic Research Yields Results**

*OW0712100494 Beijing XINHUA Domestic Service in Chinese 0247 GMT 7 Dec 94*

[By reporter Jia Yuping (6328 3768 1627)]

[FBIS Translated Text] Beijing, 7 Dec (XINHUA)—This reporter has learned from the All-Army Logistics Academic Research Center that logistics departments in the Armed Forces have, in recent years, pursued various academic research projects under the guidance of Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and his concept for army-building during the New Period, with the aim of gearing logistic operations to the requirements of warfare under the conditions of a socialist market economy and modern science and technology. They have achieved results in some 1,000 research projects.

These research findings, which cover various fields of logistic operations, mainly concern reform of the logistic support system, the operational mechanism, the means of securing and supplying materiel, and the functions of leading organs under market economic conditions. They also concern the improvement of logistic operations in emergencies, the ability to provide mobile logistic services, logistically supported defense capabilities, and institutional command abilities for warfare in high-technology settings. This year alone, the General Logistics Department has issued circulars to commend 138 research findings.

It has been reported that the Central Military Commission places a high premium on research carried out by logistics departments in the Armed Forces on "markets" and "battlegrounds." The General Logistics Department has made concrete plans and arrangements in this regard. Leaders of logistics organs and operational departments in various military regions and districts, and in various arms and services, have generally participated in research, thus upgrading the content of research projects. All project teams have paid attention to basic research, augmented applied research, and given priority to major and practical issues in light of the realities of logistic operations. They have provided theoretical and policy-related answers to many new problems that our Army currently faces in logistic operations. They have also stressed the application of research findings to strengthening and improving the leadership policymaking process, to guiding the military's practical tasks, and to improving teaching and training quality. By pooling these research findings and practical experiences, the General Logistics Department has proposed the general framework and basic ideas for merging the military-oriented economic sector with the market economy, as well as guidelines and principles for making military logistic preparations during the New Period. This has provided the basis for our Army to accelerate

and deepen reform of its logistic services and to strengthen such services at present and for some time to come.

### **Guangdong Air Force Unit Executes Missions Well**

HK0612092494 Hong Kong WEN WEI PO in Chinese  
18 Nov 94 p F1

[By Wu Sen-hui (0702 2773 6540), Yu Hsiu-tao (0827 4423 3447), Fan Hai-sung (5400 3189 2646), and Tsang Kuo-hua (5258 0948 5478): "Guarding the Territorial Sky of South China With Vigilance—Visiting an Air Fighter Division Stationed in Guangdong"]

### **[FBIS Translated Text] Nine Enemy Planes Were Brought Down or Hit By the Division's Fighters**

On 25 March 1956, a certain fighter plane division under the Air Force's Zhu Jiang Delta Command took over a brightly colored "1 August" Army flag which the people handed to it, thus undertaking the glorious mission of guarding the vast territorial sky of the southern part of the motherland. Over the past 38 years, all members of the division, officers and fighters alike, have been writing the glorious history of their heroic unit with their patriotic feelings and determination to serve the country. They have brought down or hit nine enemy planes and have cultivated the spirit of perfection which is well known throughout the Army.

During the 1980's, this heroic division aimed high and bravely reformed its political education and military training systems in the wake of the country's reform and opening up. The division has worked hard to enhance the cohesive force among its members and also to raise the unit's fighting force, achieving successes in the new period.

They first launched a reading drive with the theme of "guarding the motherland's blue sky and enhancing the national spirit." Education on patriotism has been taken as a concrete step toward enhancing spiritual civilization and the modernization of Army units. The division has set great store by cultivating a strong sense of modern national defense among the pilots and by promoting their ambition in and devotion to their careers as Air Force fighters. The division has organized pilots to acquire modern scientific knowledge and encouraged them to make more contributions to preserving the peace and security of the motherland and to safeguarding the reform and opening up.

### **Leaders of Air Force Units From Other Military Regions Have Visited the Division To Learn From Them**

They have persistently run military training as a strategic task, stressing the quality and efficiency of training, pooling collective wisdom by involving fighters in the appraisal and design of training programs, and carrying out military training in a scientific manner with the

focus placed on key tasks. They have upheld the principle of strictly administering the Army, enhanced the sense of observing Army rules and regulations, conducted training according to law, and developed and improved a series of regular military training systems and measures. The Air Force section of the military commission has organized the Air Force commanders of all military regions and the commanders of all Air Force divisions to visit the division to learn from its experience in training, with a view to promoting such experience among all Air Force units.

The division has actively introduced extremely difficult training items, with a view to enhancing its fighting capacity. Every year, they regularly conduct such extremely difficult flying drills as low-altitude flying, treetop flying, air-to-surface firing, dogfighting, and flying under complicated meteorological conditions both by day and night. The division commander has not only directed the training but has also flown as a pilot, taking the lead in undertaking extremely difficult flying drills. Thus the division has turned out a large number of highly competent pilots.

### **Extremely Difficult Night Missile Firing Training**

Last year, the division conducted a two-plane night missile firing [shuang ji ye jian dao dan fa she 7175 2623 1123 7035 1418 1734 4099 1410] training in a certain airspace in southern Guangdong.

Two-plane night missile firing is a basic tactical drill in modern air warfare. This training item involves high technical requirements, complicated equipment manipulation, and a high degree of difficulty. In this connection, the division set up a night missile firing training command group. Special-topic training for pilots was conducted to enable them to become familiar with the specifications, functions, and operational requirements of air-to-air missiles; the practical operations of flying fighter planes armed with missiles; and two-plane missile firing. On this basis, the division repeatedly trained its pilots in improving their ability to coordinate with each other in two-plane flying in formation, in terms of formation evolution, distance between planes, plane positioning when staging an attack, and timing of firings. More than 10 training procedures were arranged and those undertaking the training were required to take part in ground rehearsal for every procedure. By such drilling they obtained more than 100 pieces of data and they analyzed every datum and made comprehensive studies of all the data before finding out the optimal firing plan. The pilots participating in the training hit all the targets in the live ammunition practices, fulfilling the training requirements to 100 percent and performing all the drills to a 100-percent excellence.

The members of this division have carried forward the Army's glorious traditions in building their Air Force unit. While fulfilling their military duties, they have been doing productive labor with their own hands to improve their livelihood. In the meantime, they have set



aside more than 500,000 yuan from the income they have earned from production and used this fund to finance cultural facilities at the grass-roots level. Every company of the division has its own color television sets, karaoke sets, and other cultural facilities and every airport under the division's management has its own auditorium as the venue for recreational activities and physical training. The division has also installed closed circuit television networks and has its own audio-visual center. With the strong support of the local people's government, the division has built dormitories for pilots and a primary school for pilots' children, both of the best quality as compared with buildings of the same kind in other Air Force units in the Army. The division also sets aside more than 700,000 yuan each year as bonuses for collectives and individuals who have made contributions to military training.

Now, this heroic Air Force unit is displaying its great potential once again. For the past six years in succession, the division has kept up its excellent performance and for the last 11 years in succession, it has overfulfilled its training assignments while maintaining its flying safety record. Recently, when inspecting the division, General Zhang Zhen, vice chairman of the Central Military Commission, fully appreciated the division's performance. He wrote an inscription dedicated to the division: "Carry forward the glorious tradition, drill hard on the ground, fly brilliantly in the air, enhance military and political quality, and defend the territorial sky of South China."

### Economic & Agricultural

#### Zou Jiahua Inspects Zhejiang 4-5 Dec

OW0612161594 Beijing XINHUA Domestic Service in Chinese 0910 GMT 6 Dec 94

[By reporters Zheng Li (6774 7812) and Luo Guojun (7482 0948 7486)]

[FBIS Translated Text] Hangzhou, 6 Dec (XINHUA)—"At present, we must conscientiously implement the guidelines of the central economic work conference and strengthen and improve macroeconomic regulation and control. In carrying out economic construction, we must do what we are capable of and pay attention to overall returns." These were the remarks repeatedly stressed by Zou Jiahua, member of the CPC Central Committee Political Bureau and vice premier of the State Council, during his inspection of Zhejiang.

Accompanied by Zhejiang Provincial CPC Committee [ZPCPCC] Secretary Li Zemin, ZPCPCC Deputy Secretary and Governor Wan Xueyuan, and ZPCPCC Deputy Secretary and Executive Vice Governor Chai Songyue, Comrade Zou Jiahua visited the cities of Jiaxing, Ningbo, and Taizhou to conduct inspection, investigation, and study between 4 and 5 December.

Zou Jiahua said: Zhejiang enjoyed comparatively rapid economic development in recent years. As a whole, the momentum is good. Energy and transportation are the weak sectors hampering Zhejiang's economic development now. It is necessary to study a strategy for the long-term development of Zhejiang's energy and transportation sectors in conjunction with the Ninth Five-Year development plan.

Zou Jiahua believed: Zhejiang has comparatively excellent conditions for the development of electric power industry. First, it boasts a multitude of harbors and a long deepwater coastline. Such a condition is suitable for the construction of large thermal power plants. Second, it has a good foundation and geological environment suitable for the development of nuclear power. Third, it is endowed with abundant resources of water power and tidal and wind energy source power stations that can be used. He pointed out we may promote development of thermal, hydroelectric, and nuclear power stations at the same time in the light of Zhejiang's actual conditions to develop its energy and electric power industry.

Zou Jiahua pointed out: While developing the energy sector, all areas must not slacken their efforts to conserve energy and electric power. The chemical fertilizers and cement factories that adopt advanced technologies and equipment can greatly reduce their energy consumption better than other factories that do not adopt advanced technologies and equipment. Regarding energy conservation, there is tremendous potential to be tapped in Zhejiang. Zhejiang Province has done a comparatively good job in this respect. It is hoped that Zhejiang can sum up its experiences in earnest. Some areas have put forward measures, including the proposal to renovate small boilers and carry out cogeneration in urban areas. They must be treated as important tasks to be fulfilled in the future and must be resolved in a down-to-earth manner.

Zou Jiahua said: Zhejiang must speed up the pace of the development of transportation facilities. It is necessary for Zhejiang's transportation facilities to link up with those in the other provinces of the entire East China region so as to form a complete transportation network. Such a formation will expedite Zhejiang's economic development and, furthermore, play a positive role in promoting national economic development.

Zou Jiahua stressed: The central economic work conference, which just concluded, was an extremely important meeting. It is necessary for us to conscientiously implement its guidelines. While carrying out economic construction, all areas must attach importance to doing what they are capable of; strive for practical results; focus on improving the quality and returns of economic growth; and eliminate the tendency to blindly proceed with new projects and to lay undue emphasis on pursuing output value and growth rate. In particular, with regard to the construction of key projects, efforts must be concentrated on waging a war of annihilation. Once we set our



mind on going ahead with a project, we must devise ways to see it through at the fastest speed and within the shortest time in a bid to promptly recover its investment, produce returns, and enable a sound cycle of economic activities to evolve. We must not overextend ourselves by planning a number of projects and proceeding with their construction despite insufficient funds because, otherwise, a project scheduled for completion in three years is likely to be delayed to five years; we may miss the optimum opportunity; the project will exhaust the people and drain the treasury; and the faster we try to complete the project, the longer it will seem to take. We must attach a high degree of importance to the issue.

While in Zhejiang, Vice Premier Zou Jiahua listened to briefings given by the ZPCPC and the provincial government and went down to the Qinsan Nuclear Power Station, the Jiaxing Electric Power Plant, Zhapu Harbor, the Beilun Electric Power Plant, the ore terminal at Beilun Harbor for the class of vessels with a displacement of 200,000 tons, the Jiangxia Experimental Tidal Power Station at Wenling County, and Faleiao Wenling Auto Parts Co., Ltd., a Sino-French joint venture, to gain an on-site understanding of the situation at some key projects and enterprises.

#### Wen Jiabao Inspects High-Tech Enterprise Group

OW0612140494 Beijing XINHUA Domestic Service in Chinese 1149 GMT 5 Nov 94

[By Chen Jinwu (7115 6855 2976) and Qin Chun (4440 2504)]

[FBIS Translated Text] Beijing, 5 Dec (XINHUA)—While inspecting the Chinese Academy of Sciences' [CAS] Lianxiang Group today, Wen Jiabao, alternate member of the CPC Central Committee Political Bureau and member of the Secretariat, pointed out: New and high technology and industries employing new and high technology are the key to current international competition. We must vigorously develop China's industries employing new and high technology so as to enable China's high science and technology to gain a foothold in the world arena.

Founded in 1984, the Lianxiang Group is a high-tech enterprise that came into being in the course of reform. With strong CAS backing, the group has persisted in opening up markets and allowing internationalization to guide industrialization. It has made outstanding contributions to developing China's computer industry by actively opening up overseas markets. After 10 years of arduous work, the group has developed from an enterprise with an initial investment of 200,000 yuan into a computer enterprise group that has more than 50 branches in China and overseas, employing more than 2,300 people. It is an enterprise group integrating technology, industry, and trading, with a net capital of 500 million yuan and an annual turnover of over 4 billion yuan. Over the past 10 years, its aggregate sales income has exceeded 10 billion; its foreign exchange earnings

through export have topped \$300 million; it has delivered more than 300 million yuan in taxes and profits to the state. In 1993, the group ranked second among the country's 100 electronic enterprises and is currently the country's largest computer enterprise group.

This afternoon, Wen Jiabao, accompanied by CAS President Zhou Guangzhao and Vice President Hu Qiheng, inspected the group's products and viewed an on-site operational demonstration by the group's engineers and technicians; listened to a work report by group President Liu Chuazhi; and made suggestions on developing China's industries employing new and high technology.

Fully affirming the group's achievements and development path, Wen Jiabao said: The Lianxiang Group has taken the road of combining science and technology with economy and has transformed scientific and technological results into productive forces. This has proved that Comrade Deng Xiaoping's thesis that "science and technology are a primary productive force" is extremely correct. The group's experiences tell us: It is necessary, through scientific and technological research, to promote the application of scientific and technological research results, because this is the key to integrating science and technology with the economy; and it is necessary to look toward domestic and international markets, strive to secure a market for products in the course of competition, improve efficiency through development, integrate research institutions with enterprises, promote the development of industries employing new and high technology, and bring about a steady upturn in the economy and science and technology so as to accelerate the national economy's modernization.

Wen Jiabao stressed: In developing China's industries employing new and high technology, it is necessary to follow the principle of "limiting the objective while focusing on key areas," carefully select a number of technologies that have an important bearing on the national economy as well as bright market prospects, and organize people to accelerate the industrialization pace and set up a number of high-tech enterprises with high output value. New and high technology should be used to transform traditional industries and to raise the quality and efficiency of economic development. It is necessary to deepen reform of the science and technology system, and strengthen overall guidance and coordination with regard to the work of setting up industries employing new and high technology. It is necessary to increase input in new and high technology and industries employing such technology by organizing manpower and material resources for this purpose; promote the integration of scientific research institutions and colleges with new- and high-technology enterprises; and promote the integration of state-run enterprises, village and township enterprises, and civilian-run enterprises with new- and high-technology enterprises. It is necessary to strengthen the building of the rank and file by training a large number of personnel and new-type entrepreneurs specialized in high technology. He called on the Lianxiang

Group to seize opportunities, continue to work hard, and make new contributions to developing China's high technology.

#### **Wu Bangguo Urges Fostering Entrepreneurs**

*HK0712064694 Beijing GUANGMING RIBAO in Chinese 21 Nov 94 p 1*

[By reporter Feng Jie (0023 2212): "GUANGMING RIBAO and China Democratic National Construction Association Jointly Sponsor Meeting To Discuss Building China's Rank and File Entrepreneurs; Wu Bangguo Delivers a Speech Stressing Need To Attach Importance to Role of Entrepreneurs in Building Modern Enterprise System"]

[FBIS Translated Text] Beijing, 20 Nov (GUANGMING RIBAO)—Amid the in-depth development of the enterprise reform and the establishment of the modern enterprise system, the status and growth of Chinese entrepreneurs have especially drawn attention. During a "Seminar on the Development of the Contingent of Chinese Entrepreneurs" today, dozens of brilliant entrepreneurs who have emerged from the great tide of reform, and a few well-known experts and scholars, made the following joint appeal: Fostering a contingent of Chinese entrepreneurs has now become an imminent need in the era of development and economic construction.

Wu Bangguo, CPC Central Committee Political Bureau and Secretariat member, delivered an important speech at the seminar. He said: The decision by the Fourth Plenary Session of the 14th CPC Central Committee points out that to establish the socialist market economy, one needs to give full play to every positive factor as well as the initiative and creativity of all the party and all the Chinese people. I am sure that this seminar offers a good opportunity: To bring positive factors, as well as the initiative and creativity of all sectors, into play; to bring into play the role of the united front and the multi-party cooperation under the CPC's leadership, in the service of reform and construction; and a good opportunity to promote the democratic and scientific decisionmaking process.

Wu Bangguo stressed that the seminar had selected an excellent main theme by focusing the discussion on the fostering of entrepreneurs. It was good because it was the key to the enterprise reform and touched on the issue of human resources which is of universal significance. Experience both at home and abroad shows that although the fate of an enterprise depends on its operational mechanism, policies, and other conditions, the role of the entrepreneur is also of decisive importance. Every successful enterprise has one or more successful entrepreneurs to serve it. In particular, under the conditions of market economy, the quality and ability of entrepreneurs usually determine the enterprise's fate. Therefore, the fostering of a contingent of Chinese entrepreneurs is an issue of overall importance which is

essential to the establishment of the socialist market economy and to the development of a modern enterprise system. The party's central authorities, the State Council, and leaders of the older generation have all set great store by the issue of human resource and, in particular, the case of entrepreneurs. Now that the reform has arrived at the stage where the goal is to establish a modern enterprise system to suit the market economy, we must attach still greater importance to the role of entrepreneurs and be more clearly aware of the pressing need for the service of entrepreneurs.

Wu Bangguo said: The party's central authorities have decided that, beginning next year, the reform should place stress on invigorating enterprises, especially large and medium state-owned enterprises. The central authorities are determined to work really hard and in a down-to-earth manner for one or two years, or even three to five years if necessary, to establish a modern enterprise system. Once the enterprise reform succeeds, the whole reform and construction will be upgraded to a higher level. Fostering a contingent of professional, outstanding entrepreneurs is an important part of our efforts to establish a modern enterprise system. The central authorities eagerly hope that comrades from all sectors will show concern for and support the enterprise reform and take the initiative in contributing new ideas to promote the reform. Leading party and government organizations at all levels should support and assist democratic parties and factions in playing a more active role in political affairs and the supervision of government operations. All people should work together for our common cause.

Wang Guangying, vice chairman of the National People's Congress Standing Committee, spoke in his capacity as a veteran entrepreneur. He noted that entrepreneurs are not ordinary businessmen who are only concerned about money. Instead, they should show an enterprising spirit and a sense of responsibility. They should also be genuine "experts" with professional knowledge, ability, and determination. Their social status has yet to be upgraded and they need support from all social sectors. At the same time, successful enterprises need the services of ambitious and resourceful entrepreneurs and the entrepreneurs must be organized to form a force so that they can show greater might in economic construction.

Yuan Baohua, chairman of the China Enterprise Management Association, put forward four suggestions on fostering entrepreneurs: 1) set up a committee for the protection of entrepreneurs' rights and interests; 2) further standardize the enterprise cadre administrative system; 3) further study the ancient Chinese thinking on enterprise management, sum up experience in enterprise management in ancient China, and carry forward the fine enterprise culture of the Chinese nation; and 4) do away with the interference on entrepreneurs by the numerous forms of contests and competitions and formulate the regulations on election of national-class outstanding entrepreneurs.



Public opinion as reflected by the media has a noticeable influence on the fostering of entrepreneurs. As far as this is concerned, this newspaper's editor-in-chief, Xu Guangchun, said: Entrepreneurs need a fine public opinion environment favorable to their growth and the news media bear an unshirkable responsibility in this regard. First of all, news media are responsible for correctly conveying to entrepreneurs timely information about the party and state guidelines and policies on economic and enterprise development. Second, they should accurately and comprehensively publicize entrepreneurs' achievements, properly appraise their work, and play up the fine image of good entrepreneurs. Third, news media should more thoroughly voice entrepreneurs' appeals. And fourth, mass media should play a part in providing entrepreneurs with relevant knowledge, information, and experience.

Feng Tiyun, vice chairman of the China Democratic National Construction Association delivered an opening speech on the development of a contingent of Chinese entrepreneurs, on behalf of the four seminar cosponsors of this seminar: The Central Committee of the China Democratic National Construction Association, the China Enterprise Management Association, GUANGMING RIBAO, and China Central Television Station. Present at the seminar were people in charge from organizations concerned, including Liu Yandong, Wang Shiyuan, Zhang Hanfu, Yang Weiguang, Huang Daneng, Bai Dahua, Feng Kexu, Liu Heng, Liu Hezhang, Zhang Yanning, Zhang Chongqing, Tang Maoyi, and Shen Ji. Lu Ming, vice chairman of the Central Committee of the China Democratic National Construction Association presided.

#### State-Owned Enterprises Reform Focus for 1995

HK0712075594 Beijing LIAOWANG in Chinese No 45,  
7 Nov 94 pp 4-5

[By Jin Wei (6855 0251): "Deepening State-Owned Enterprise Reform Is Focus of Economic Reform Next Year"]

[FBIS Translated Text] Abstract: In deepening the reform of state-owned enterprises next year, concentrated efforts will be made, on the basis of further implementing the "Regulations on Transforming Enterprise Operational Mechanisms" and "Supervision and Management Regulations," to do well the experiment of establishing a modern enterprise system in 100 medium and large key enterprises designated by the State Council, along with promoting the establishment of such mechanisms as enterprises putting in additional operating capital for production, bankruptcy mechanisms, social security system, diversion of surplus labor force, and separation of community service functions, as well as solving enterprise historical debt problems to make a breakthrough in transforming the operational mechanisms of state-owned enterprises, establishing modern enterprise system, and invigorating enterprises. [end abstract]

The CPC Central Committee and the State Council have decided to take the deepening of enterprise reform and establishing a modern enterprise system as the focus of economic structural reform next year. This is a timely and important reform strategy introduced on the basis of the smooth progress of the comprehensive reform in the macroeconomic management system in the finance, taxation, foreign trade, foreign exchange, and monetary sectors and on the basis of the national economy continuing to maintain a momentum of sound development and macroeconomic regulation and control increasingly achieving results. This is a realistic and historic strategic choice and an imperative requirement of reform and development.

#### Goals of Enterprise Reform

The "Decision" by the Third Plenary Session of the 14th CPC Central Committee explicitly points out: "The establishment of a modern enterprise system is an invariable requirement in developing socialized large-scale production and a market economy, as well as the orientation of reform in China's state-owned enterprises." Proceeding from this requirement and orientation, the goal of deepening enterprise reform and running medium and large state-owned enterprises well is to have state-owned enterprises basically establish a modern enterprise system adaptable to a socialist market economy and play their leading role in the socialist market economy and the modernization program.

From the point of view of strategic steps and methods for advancement, the establishment of our modern enterprise system is the direction and goal of the reform in China's state-owned enterprises; transformation of the enterprise operational mechanisms is a starting point and foundation for establishing our modern enterprise system; and promotion of the market system and solving practical problems which enterprises now face in their production and management are the necessary conditions and guarantees for deepening enterprise reform and establishing our modern enterprise system. Therefore, reform in the enterprises must follow the strategy of a series of complementary, comprehensive, and gradual steps in transforming operational mechanisms and establishing a modern enterprise system.

To attain these reform goals, first, we must completely, profoundly, and accurately understand and comprehend the connotation of our modern enterprise system and unify everyone's understanding on the "Decision" by the Third Plenary Session. Our modern enterprise system, adaptable to the requirements of the socialist market economy, should be established according to the principles and demands of clearly defined property rights, powers, and responsibilities; separation of the functions of the government administration from those of enterprise management; and scientific management. Second, the establishment and improvement of a modern enterprise system should be promoted actively and steadily, according to plan and step by step, on the basis of



conscientiously summing up our experimental experiences. State-owned enterprises in China are large in number and their situation is very complicated. It is, therefore, impossible to have only one model or one method to follow in the process of transforming enterprise operational mechanisms and establishing a modern enterprise system. We should adopt various forms in light of different situations. Our ultimate goal is to emancipate and develop the productive forces of our enterprises through the creation of a new enterprise system to give full play to and demonstrate the superiority of the socialist system.

#### **Focal Points of Enterprise Reform**

The deepening of enterprise reform and the establishment of a modern enterprise system is a strenuous, complicated, and systematic project. We need to "pull the ox by the nose" to make a breakthrough in important aspects. What is most important is that we must lay a solid foundation and advance steadily.

The present management situation in our enterprises and their external environment show that providing enterprises with decisionmaking power in operations and transforming their operational mechanisms is a fundamental task. The key to transforming enterprise operational mechanisms lies in changing the functions of the government, separating the functions of government administration from those of enterprises, and creating the necessary external conditions to enable enterprises to advance toward the market. Therefore, to deepen their reform, enterprises must carry out to the letter the "Regulations on Transforming Enterprise Operational Mechanisms," which is a cornerstone of deepening enterprise reform and establishing a modern enterprise system. At the same time, it is necessary to grasp firmly the enforcement of the "Supervision and Management Regulations." The "Supervision and Management Regulations" are a further improvement and development of the "Regulations on Transforming Enterprise Operational Mechanisms." Administration and management of state assets must be truly strengthened upon clarifying the principle that the properties of state-owned enterprises are "owned by the state, administered at different levels, supervised through division of work, and managed by enterprises." Departments concerned will send supervisory boards to about a thousand enterprises, by stages and in groups, to supervise the value protection and increase of state assets, gradually establish an enterprise assets management responsibility system, and to explore rational ways for effective management and administration of state assets under our socialist market economic system.

Concentrating our efforts on doing well the experiments in establishing a modern enterprise system in 100 medium and large key enterprises chosen by the State Council is an important content of deepening enterprise reform next year. In accordance with the requirements of the "PRC Company Law" and "Plans for the Experiments," our experimental work will combine with the

experiment of "optimizing the capital structure" of enterprises. Our experimental work will be promoted in several cities in a steady and down-to-earth manner. On the whole, the key to deepening enterprise reform lies in separating the functions of government administration from those of enterprises, doing well in the operations and management of enterprises, establishing and improving our social security system, and striving to make a breakthrough in transforming operational mechanisms of enterprises, establishing a modern enterprise system, and invigorating state-owned enterprises. Furthermore, breakthrough should be made in straightening out and clearly defining property rights, separating the functions of government administration from those of enterprises, improving the enterprise management system, optimizing the capital structure, increasing the operating capital for production, diverting the surplus labor force in enterprises, separating the functions of the social community from those of enterprises, and reducing the debt burdens of enterprises to increase enterprises' vigor for development and their competitiveness and to provide experience and set an example for comprehensive popularization of our modern enterprise system.

#### **Comprehensive Measures for Enterprise Reform**

Most of the practical problems facing state-owned enterprises were accumulated over a long period of time under the planned economic system, whereas some new problems have emerged during the process of reform. Therefore, it is impossible to promote the deepening of state-owned enterprise reform and establishing a modern enterprise system in a single area alone. It should be carried out in a comprehensive and coordinated way.

**Gradually establishing mechanisms for increasing enterprise funds for production and operation.** Serious shortages of funds for production and operation in state-owned enterprises is an acute issue. Therefore, the establishment of mechanisms for increasing enterprise funds for production and operation should be combined with transforming enterprise operational mechanisms and establishing a modern enterprise system. The establishment and operation of such mechanisms should follow the principle of integrating enterprises' efforts to acquire the major part of the funds and rewards from the state in terms of policies. Enterprises should use a certain percentage of their after-tax profits to replenish their funds for production and operation. With regard to various kinds of public accumulation funds, additional depreciation funds made from reassessments and quickening the pace of depreciation, as well as cash-realizable income in the enterprises should, first of all, be used to increase production and operation funds. As for those enterprises with an extremely low percentage of production and operation funds of their own, it is necessary to give them financial support and help them solve their problems. As for those enterprises which have a high percentage of production and operation funds of their own, priority in granting them loans should be considered. The state will, according to its financial strength,

gradually develop channels for pumping capital into key medium and large state-owned enterprises on a selective basis.

**Adopting various measures to solve debt problems left over from history in state-owned enterprises.** Historical burdens and debts are a prominent problem which constrains the development of state-owned enterprises. In deepening enterprise reform, therefore, the capital debt structure of state-owned enterprises must be earnestly studied and analyzed and appropriate solutions found. Such problems as the disguised losses and assets losses which have been revealed through the appraisal of properties and funds, the loss of enterprise loans through irresistible natural calamities or because of policy reasons, as well as the historical debts brought about by "changing allocation of funds into loans," should be solved in accordance with the specific situations in each case. Besides, efforts should be made to actively explore the effective ways and methods for solving the problem of debts among enterprises. Generally speaking, in solving the historical debt problems we must proceed from the financial capability of the state, increase our sense of debts and credits, and guard against replacing old burdens with new ones or the practice of refusing to pay debts.

**Establishing Bankruptcy Mechanisms.** The absence of bankruptcy mechanisms for enterprises and the situation of creating new enterprises alone without letting them perish are outstanding problems bothering state-owned enterprises. In accordance with the "Bankruptcy Law" and the "Notice of the State Council on Relevant Problems Concerning Experiments in Bankruptcy of State-Owned Enterprises in Several Cities," some state-owned enterprises which cannot pay their debts on time and have no chance of reversing the situation of running at a loss will go bankrupt. Income from the bankrupted assets will first be used to help those who have lost their jobs because of the bankruptcy. Methods for guaranteeing the livelihood of workers from bankrupt enterprises will gradually be improved and standardized. Bankruptcy of enterprises is a very complicated question and all departments concerned should work closely with each other and make concerted efforts to solve the problems. On the basis of practice, a bankruptcy forecast mechanism and a regulatory and control system should be gradually established. Along with strengthening the effects of the market mechanisms, and through the establishment and improvement of bankruptcy mechanisms, mechanisms of assets re-organization should gradually be formed to promote the restructuring of stock assets and the readjustment of the economic structure. At the same time, experiments in forming enterprise groups should continue. Transformation of the enterprise operational mechanisms and the establishment and improvement of enterprise groups should be organically combined to give play to their overall functions and comprehensive effects as a result of cooperation and coordination.

**Establishing mechanisms for diverting the surplus labor force in enterprises and separating the functions of social**

**community from those of enterprises.** The initiative of the government, enterprises, and workers should be aroused to divert the surplus labor force in enterprises. The situation of enterprises playing a major role in finding new jobs for workers should be gradually replaced by the regulation of the labor force market. Mechanisms of individuals competing for employment with the state providing guidance and assistance should be formed. In diverting the surplus labor force in enterprises, the principles of overall planning, different treatment for different cases, giving priority to solving the most important problems, and advancing step by step should be followed. Social security organs should, in accordance with state regulations, guarantee the basic livelihood of the unemployed and help them find new jobs through reemployment training and the job market. The emphasis on separating the functions of the social community from those of enterprise should be placed in the logistics sectors of enterprises. The separation process first takes place inside enterprises and will gradually be extended to the society. In cities where conditions are ripe, some enterprises can separate their own public welfare service from themselves on a selective basis and then explore ways for complete separation.

**Establishing and improving the social security system.** The fact that reform in social security has lagged behind has become an important constraining factor in enterprise reform. We should establish a basic system for our social security, unify our policies, and strengthen our macroscopic control. Social security should expand its coverage and increase its degree of socialization. Enterprise workers and staff members should take part in pension schemes and unemployment insurance and general regulatory funds should be established in this regard. Old-age pension contributions should be paid by both enterprises and individuals. Overall social planning should be combined with individual contributions. It is necessary to strengthen the service functions of social security and intensify the use and management of insurance money.

**Strengthening the internal management of the enterprises and running factories strictly in accordance with the law.** We should continue to carry out the activities of "transforming operational mechanisms, grasping management, improving capabilities, and increasing economic results." Under the new situation, while grasping their internal management, enterprises should reform their traditional thinking and methods. They should grasp their management in light of market demand. In this connection, they should first do well in building their leading bodies. Combined with the implementation of the "Supervision and Management Regulations," it is necessary to make a comprehensive appraisal of a large number of leading bodies in medium and large enterprises in an organized way and continue to improve these leading bodies. Furthermore, a strict responsibility system and assessment system should be implemented to



urge enterprise management personnel, and decision-makers in enterprises in particular, to run their factories strictly in accordance with the law.

Besides, in order to effectively push forward reform in state-owned enterprises, and to establish our modern enterprise system, efforts must also be made to strengthen and coordinate various reform measures designed to establish our socialist market economic system; strengthen and improve macroeconomic regulation and control; curb inflation; maintain a sustained, healthy, and rapid development of the national economy; and actively promote the building of socialist spiritual civilization and the establishment of a democratic legal system.

Enterprise reform is an arduous yet significant task. It must be taken seriously from a strategic point of view, pushed forward enthusiastically and steadily in implementation, and boldly and realistically explored in practice. So long as we work hard to grasp enterprise reform according to the overall planning of the CPC Central Committee and the State Council, our state-owned enterprises will definitely radiate their great vigor.

#### **State Council Guidelines on Enterprise System**

*HK0712060494 Hong Kong WEN WEI PO in Chinese  
16 Nov 94 p A4*

[By staff reporter Yang Fan (2799 1581): "State Council Sets Up Joint Meeting To Ensure Pilot Schemes for Modern Enterprise System"]

[FBIS Translated Text] Beijing, 15 Nov (WEN WEI PO)—According to authoritative sources here, in order to prevent deviations in the pilot schemes for the modern enterprise system next year, a top leader of the State Council recently set out three principles, including the point of preventing the misinterpretation of the modern enterprise system as issuing stocks, raising funds through internal channels, or turning existing enterprises into companies merely in name. At the same time, in order to ensure effective leadership over the pilot schemes and to guarantee their smooth advance, the State Council approved the establishment of the joint meeting system.

The State Council leader pointed out: People's understanding of the modern enterprise system will have a major bearing on the advance of the pilot schemes. Therefore, in order to prevent possible deviations in next year's pilot schemes, it is necessary to particularly stress the three principles for the modern enterprise system:

First, the modern enterprise system must not be interpreted as merely the arrangement of listing stocks on the market, internal channels for raising funds, and turning existing enterprises into companies merely in name.

Second, the corporal system is a typical form of the modern enterprise system but this does not mean that all enterprises must adopt this system.

Third, the establishment of the modern enterprise system is a systems engineering project and the institutional changes, transformation, and reorganization must be linked with the improvement of management and the settlement of the existing major and difficult problems in the enterprises.

He stressed: The main contents of the modern enterprise system should include first, a perfect incorporation system; second, a strict system of limited liabilities; and third, a scientific enterprise management and organizational system.

To strengthen leadership over the pilot schemes and to guarantee their smooth development, the State Council has reportedly approved the establishment of the joint meeting system, through which the relevant policies and measures will be considered and formulated and necessary coordination will take place. The joint meeting will be led by the State Economic and Trade Commission and will be attended by leaders of the State Planning Commission, the State Commission for Economic Restructuring, the Ministry of Finance, the Ministry of Personnel, the Ministry of Labor, the Ministry of Foreign Trade and Economic Cooperation, the People's Bank of China, the Auditing Administration, the State General Administration of Taxation, the State Administration of Industry and Commerce, the National Administration of State Property, the State Council Securities Commission, the Industrial and Commercial Bank of China, the CPC Central Committee Organization Department, and the National Federation of Trade Unions. Each of the abovementioned institutions will appoint a department head as liaison officer in the joint meeting and such liaison officers should not be changed too frequently.

The State Economic and Trade Commission has decided to organize a strong working body for the joint committee which will be headed by Wang Zhongyu, Yang Changji, Xu Penghang, and Chen Qingtai. Chen Qingtai will be in charge of the routine functions of the joint meeting with the participation of the liaison officers from the State Commission for Economic Restructuring, the State Planning Commission, the Ministry of Finance, and the People's Bank of China.

#### **Government Intensifies Consumer Product Inspection**

*HK0712070594 Beijing CHINA DAILY in English 7  
Dec 94 p 1*

[By Ma Zhiping: "Consumer Product Inspections Stepped Up"]

[FBIS Transcribed Text] With the nation's biggest shopping season just around the corner, the government is boosting inspection of markets to help stabilize commodity prices and curb inflation, a senior quality control official said yesterday.



"The move will be the continuation of a nationwide campaign launched in October to improve business supervision and crack down on malpractice in the producing and marketing of goods," said Li Chuanqing, director of the State Bureau of Technical Supervision which oversees the nation's quality control efforts.

"The inspection will cover all seasonal commodities and daily necessities, which will sell well during the New Year and Spring Festival period, as well as those commodities which have stirred consumer complaints because of poor quality problems," Li said.

He added that results from a recent nationwide market inspection prove that regular inspections are essential to keeping commodity prices and quality stable.

Over the past two months, about 40,000 inspectors scrutinized goods at more than 22,600 State stores and 1,500 free markets around the country.

On average, 75 per cent of the items inspected were up to standard, and more than 80 per cent of the scales and measuring devices and volume of packaged food were accurate.

Quality has improved over last year as more and more markets are implementing strict commodity quality controls, inspection officials reported.

However, problems such as forging name brands, selling shoddy and substandard goods and giving consumers less than what they paid for still exist, the officials noted.

They said market inspectors uncovered counterfeit and substandard goods worth 92.7 million yuan (\$10.9 million) and fined more than 7,000 stores nearly 4.7 million yuan (\$553,000) for illegal business practices in the past two months.

#### **Government To Launch Quality Inspection in 70 Cities**

OW0712062494 Beijing XINHUA in English 0600  
GMT 7 Dec 94

[FBIS Transcribed Text] Beijing, December 7 (XINHUA)—China has achieved desirable preliminary results in an all-round inspection of the quality of commodities in 70 cities, started at the end of September this year, said a senior official with the country's technological supervision administration.

Li Chuanqing, director of the State Bureau of Technological Supervision, disclosed that the two-month-long campaign included inspection of about 205,000 items in 70 cities, with 153,000 of them having passed the qualifying exam.

The rate of those qualified goods was 75 percent, according to a report released by the bureau.

The report shows that by the end of November, more than 546 million yuan worth of commodities in 22,600 shops across the country had been checked.

About 13 percent of measuring devices being used in shops and 17.6 percent of the packaged foods were disqualified, reflecting a slight decrease from last year.

The quality inspection covered 30 provinces, municipalities and autonomous regions in the country. To date, shoddy and fake commodities worth a total of 92 million yuan have been seized and more than 7,000 shops involved in fraudulent sales have been severely fined, according to Li.

Branches of the State Quality Supervision have named 12 shopping centers in Shanghai, Beijing, and other large cities for the high quality of their commodities and the precision of their scales.

#### **Government To Phase Out Stock Quota System**

HK0712064294 Hong Kong SOUTH CHINA  
MORNING POST (BUSINESS POST) in English  
7 Dec 94 p 1

[By Christine Chan]

[FBIS Transcribed Text] China's national share quota system is to be gradually phased out in the country's attempt to deregulate its securities sector, says a senior official of the China Securities Regulatory Commission (CSRC). Without giving specifics and the timetable on abandoning the regime, CSRC's general counsel and director of public offerings, Gao Xiqing said the quota system would still be in place for some time. "We are moving towards abolishing the quota system," Mr Gao said at the three-day Asia-Pacific Issuers & Investors Forum, which ended in Hong Kong yesterday.

Under the share quota system, the government sets a limit on the number of shares to be issued for the year. The national quota is distributed among provinces, and among companies in each province. It applies to different types of share—A, B and H shares—all issued by Chinese companies. A shares and B shares are listed within China and H shares in Hong Kong. A shares are traded by mainland investors and B shares and H shares are traded by foreign investors.

The share quota system was instituted by the government to help maintain macrocontrol over share issuing in China under the planned economy. The system offers no flexibility, and it was suggested that the number of shares issued each year should be decided by the market instead of a quota.

Progress has already been made by the Shanghai and Shenzhen stock exchanges in their efforts to relax the enforcement of the remnants of the planned economy. Exchanges had reportedly been allowing some companies to ignore the quota system and others to carry over their quotas from one year to the next.

A Shanghai securities practitioner, however, said, given the present economy, it would not be feasible to remove

the quota system, because it would exact further inflationary pressure on the economy.

Conceding that the change was inevitable, Mr Gao said the chances of having the quota system removed next year would be slight. He said a top-level meeting in Beijing recently called for more macrocontrols on the economy. He said the system could help the government assure control over the economy while the country was moving from a planned economy to a socialist market economy. Mr Gao said the CSRC had recently issued three ordinances enabling the securities watchdog to delegate its power to localities. Mr Gao did not give the names of the ordinances, but their implementation was aimed at further deregulating the securities market.

#### State Development Bank Unveils Lending Priorities

OW0612150694 Beijing XINHUA in English 1410  
GMT 6 Dec 94

[FBIS Transcribed Text] Beijing, December 6 (XINHUA)—In a bid to contribute to the central government's efforts in bringing down inflation, the State Development Bank (SDB) has pledged stricter control over capital investment next year.

Reporting on the work of the bank over the past ten months to its board of supervisors today, the bank's President Yao Zhenyan said that the SDB's lending priorities next year will remain in the first place with the agricultural sector, including agricultural production and agricultural capital construction.

Key state projects in infrastructure construction and "backbone" industrial enterprises will also be high on the priority lending list.

To raise investment efficiency, the SDB's credit will go to projects which will be completed or start operation within the year, Yao said.

The SDB's Board of Supervisors was set up here today. The first meeting of the board expressed itself generally satisfied with the bank's performance over the past ten months, according to Lu Peijian, chairman of the board.

The board consists of one representative each from the State Planning Commission, State Economic and Trade Commission, Ministry of Finance, People's Bank of China, State Audit Administration and Ministry of Foreign Trade and Economic Co-operation.

The board are to supervise the bank's implementation of the state's policies and guidelines, and monitor the direction of the bank's investment funds and the operation of the bank's assets. It will not interfere in the bank's daily operation, Lu noted.

By the end of last month the bank had supplied 395 of the state's large and medium-sized construction projects with 80.6 percent of the fund requirements for the year.

#### 'Private Distribution Networks' Rising in Popularity

HK0712064394 Hong Kong SOUTH CHINA  
MORNING POST (BUSINESS POST) in English 7 Dec  
94 p 4

[By staff reporter]

[FBIS Transcribed Text] Private distribution networks are becoming increasingly popular in China as manufacturers and joint ventures attempt to circumvent the difficulties of using state channels, says a report by the Economist Intelligence Unit.

At the same time, Beijing is encouraging more foreign participation in an effort to undo the distribution log jam, because the government is increasingly unable to finance rising inventories. Although China's transportation system remains a major concern, a recent government decision to license joint venture trucking companies offers hope that the situation for road freight may improve, the report says.

Sino Santa Fe, a Hong Kong joint venture, will launch a route between Beijing and Guangzhou which will be a seven-to-eight-day round trip. Companies also have the option of storing goods in bonded warehouses while they are in China. The report advises companies to ask other suppliers for recommendations when looking for a distributor, noting that many companies are willing to share their experiences.

Before the mid-1980s, China's economy operated almost entirely under a state production and distribution system, funded by Beijing, in the belief that this would allow resources to be allocated more fairly. But since the government began allowing factories to sell goods directly to customers in 1986, state distribution units have had to compete with one another, and with independent wholesalers and retailers.

However, there is no guarantee that products will reach end-users, get on to shelves and be re-ordered. For that, manufacturers must deal with pricing, marketing, collecting payment, servicing and training. "Getting goods to market is one harrowing aspect of distribution; the other is collecting payment for them," the report says.

But companies can alleviate those problems by carefully choosing their distributors and building strong relationships with them. Collecting payments requires patience, the report says. Mainland distributors usually demand a consignment agreement, so a lack of resources and banking ties needed to claim the goods before a sale makes credit a must. Asking for smaller monthly payments is also often preferable to demanding annual lump sums.

Pricing strategies are also important, the report says. With price controls now applicable to less than 30 per cent of all goods, pricing strategies need to be based more on a company's factory location, target market and



available distribution services. But the report warns that conflicting pricing objectives may arise when a company takes into account the difficulties of transporting goods, changing consumer preferences and the diversity of regional markets.

In a case study, the report cites American computer company Hewlett Packard's China multi-level distribution system. By relying on a network of 20 value-added and volume "re-sellers", it can supply 400 to 500 companies in the major cities. That these re-sellers are either value-added or volume dealers helps the company's distribution structure to match its target market, the report says.

#### **More Imports of Materials Seen After GATT Entry**

*HK0612152794 Beijing ZHONGGUO XINWEN SHE in English 1302 GMT 6 Dec 94*

[FBIS Transcribed Text] Beijing, December 6 (CNS)—Once China resumes its status of signatory state to the General Agreement on Tariffs and Trade (GATT), there will probably be an increase in import of building materials in the country, said a leader of the State Building Materials Bureau recently.

According to the official, China reduced its import duty on building materials twice last year and cut its tariff again this year. China has seen an increased trend in import of building materials year after year. As prices of building materials in the country are higher than that in international market at the moment, many mainland building materials producers are unwilling to export their products. Therefore only by striving to lower the cost and raise the quality of such materials will China's building materials industry be able to compete with its counterparts in international market.

Probably the stringent supply of building materials will continue in the country in the coming two or three years. However, there will not be a great fluctuation in their prices. Even after the completion of most property development projects in 1995 and 1996, prices of building materials will not drop drastically. It is because China still need a certain amount of building materials for construction of housing and infrastructural facilities. Besides, there will be a growth in export of building materials at that time.

#### **Import Commodities Trade Limited to Designated Firms**

*HK0712043394 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1027 GMT 19 Nov 94*

[FBIS Translated Text] Guangzhou, 19 Nov (ZHONGGUO TONGXUN SHE)—The New Method for the Management of Import Commodities, promulgated by China's Ministry of Foreign Trade and Economic Cooperation and the State Planning Commission, provides that the state will to exercise management of listed

import commodities whereby a small number of bulk raw and semifinished materials and merchandise which have a bearing on the national economy and the people's livelihood, which are easily monopolized in the international market, and the prices of which are sensitive, will be placed under the management of approved designated companies, namely those foreign trade companies that have been examined by the state and found to be capable and to possess quality service.

At present, 12 types of commodities are traded by approved designated companies. These include wheat; crude oil; processed oils (namely gasoline, diesel oil, and kerosene); chemical fertilizers (namely nitrogenous fertilizer, phosphate fertilizer, potash fertilizer, and compound fertilizer); rubber (namely natural rubber); steel products (namely steel plate, wire rod, shaped steel, steel tube, and mottled cast iron); timber products (namely logs); glued wood (excluding veneer, decorative faceplate, and faced plywood); wool (namely crude wool, washed wool, and wool strips); acrylic fibers (namely short acrylic fibers, acrylic strips, acrylic clusters); and cotton (namely crude cotton), tobacco, and tobacco products.

#### **Beijing Seeks Foreign Funds for Medium, Small Cities**

*OW0712102694 Beijing XINHUA in English 0658 GMT 7 Dec 94*

[FBIS Transcribed Text] Beijing, December 7 (XINHUA)—Chinese officials and scholars have urged that more foreign funds be drawn into the country's medium-sized and small cities.

At a seminar on attracting foreign capital which opened here Tuesday [6 December], they share the view that the lack of funds has been blocking the development of these cities, which account for at least one sixth of the country's population.

There are nearly 600 cities in China, of which more than 500 are medium or small-sized, each with a population of less than one million.

Advertisements of foreign products, however, are more likely to be found in big cities, which are usually the first choice as a destination for foreign businessmen eager to explore the Chinese market.

"Though medium-sized and small cities in the coastal regions have achieved rapid growth, most inland cities are not well-known to the public, and lack capital for construction," said Zhai Ligong, deputy director of the State Statistics Bureau, one of the sponsors of the seminar.

"The central budget, which is expected to cover most key state projects, is beyond the reach of the medium-sized and small cities," he said.



However, Wang Luolin, vice-president of the Chinese Academy of Social Sciences, maintains that the development of medium-sized and small cities is crucial to the modernization drive in China, because their numbers are so big.

Some city officials have thought about trying to attract more foreign funds, but for various reasons, according to Zhai, they "scored undesirable points" in this area.

For example, the city of Sanya, southernmost in China's Hainan Province and with a population of 400,000, has only attracted foreign funds of 200 million U.S. dollars since 1987. But there was as much as 500 million U.S. dollars pouring into Guangzhou, the capital of Guangdong, in the first quarter of this year.

Experts said that a new round of foreign investment has started since last year, as the world's top transnational corporations are setting foot in big cities in China. Experts are afraid that medium-sized and small cities may lose another round of opportunities.

It is imperative that Chinese officials learn the operational rules of the foreign capital game, and for foreign investors to know the situation in China's medium-sized and small cities, said Ma Hong, a leading economist from the State Council.

Foreign funds are expected to be used for retooling the state-owned enterprises and construction of urban infrastructure as well as the development of service industries, he added.

#### **Beijing To Continue Cooperation With McDonald's**

*HK0712042794 Beijing ZHONGGUO XINWEN SHE in English 1137 GMT 6 Dec 94*

[FBIS Transcribed Text] Beijing, December 6 (CNS)—Beijing Municipality will continue its cooperation with McDonald's Restaurants of the United States, said the deputy secretary of the municipal government Mr. Chen Shudong who is responsible for city planning and construction in a speech on renovation of the Wangfujing district and consequent eviction of the fast food chain store.

Renovation of the Wangfujing district, according to Mr. Chen, is based on the municipal city planning. Following the renovation work the district will be more prosperous which will become a modern commercial centre of international level. As the Wangfujing branch of McDonald's is situated in the area covered by the renovation work, it is surely affected but according to the renovation proposal, location, design and scale of the new branch of the fast food chain store in the district have been properly set. Following renovation of the district, the fast food store there will be much more attractive and its economic results will be greater.

Mr. Chen said that the Chinese side had already informed the president of the McDonald China Development Company of the arrangement and the senior

executive sent back a letter in which he said that McDonald's would like to strike closer cooperation with the Beijing municipality following years of support from the municipal government for prospering the Beijing consumer goods market. The president pointed out that some overseas news reports on the matter were groundless and the development company has already demanded clarification. Mr. Chen noted that the Chinese side had recently made consultation with the development company and a satisfactory settlement is believed to be reached. McDonald's Restaurants will have greater development in the municipality.

Cooperation between the McDonald China Development Company and the municipality, Mr. Chen said, has long received support from the municipal government. Following the first branch store set up in the Wangfujing district, there are to date six McDonald's branch stores across the municipality while one more will go into operation by the end of this year, showing that the Beijing market is very attractive while cooperation between the Chinese side and McDonald's is satisfactory and fruitful.

#### **Shanghai Welcomes Second McDonald's**

*HK0712043094 Beijing ZHONGGUO XINWEN SHE in English 1230 GMT 6 Dec 94*

[FBIS Transcribed Text] Shanghai, December 6 (CNS)—The second McDonald's restaurant in Shanghai is opened in the Jingansi commercial district of Shanghai today. It is said that the third one will be opened in the Nanjing Road a few months later.

The reason for good performance and strong competitiveness of McDonald's restaurant in Shanghai's fast food industry is McDonald's uniform management in the world, namely high-quality, good service, clean and orderly environment as well as its food worthy of prices.

More than 170 local staff of Shanghai McDonald's restaurant have all received top-grade job training. Though most of raw materials used by McDonald are local products, Shanghai's customers are able to taste food of world standard.

#### **Market Financing of Power Industry Reconsidered**

*HK0712065494 Hong Kong EASTERN EXPRESS in English 7 Dec 94 p 25*

[By Beverly Chau]

[FBIS Transcribed Text] Draft legislation for China's first electricity law shows Beijing is now refraining from endorsing equity markets as a means of funding its power industry. According to draft documents obtained by the Eastern Express, share issues are no longer specified as a means of funding the mainland's power development.

A previous draft last December stated that electricity enterprises could raise funds through a number of means

including share issues. It said: "Electricity enterprises can, in accordance to the state's rule, apply loans, bonds and equity issues ... (and use) several (other) channels to raise funds."

The amended version says: "The state passes the use of soft loans and bond issues to support the development of electricity."

"Electricity enterprises, in accordance with the state's regulations, (must) raise and accumulate funds, (and) adopt a number of means to achieve self-development and improvement." No mention is made of equity issues.

The law marks China's first attempt to lay nationwide legal foundations to ensure a healthy development of mainland's power industry and consumers' rights.

A senior official of the Ministry of Electric Power (MEP) said the law is being scrutinised by the National People's Congress and should be passed by the end of 1995. "There are flexibilities in the amendments. The central government can choose whether to support listing although it is not mentioned in the law," Zhou Dadi, deputy director of the Energy Research Institute under the State Planning Commission, said yesterday. "When the market sentiment doesn't seem to be quite right, it is good to stop for a while until the timing is good for the power companies' listing," Zhou said.

Although Beijing slated four power plays, accounting for the biggest group among the 22 second-batch overseas listing of state enterprises, performance of the first two listings has been disappointing.

Shandong Huaneng Power Development, the first power company listed overseas, has seen its shares hovering below the issue price of US\$14.25 each. The stock closed in New York on Monday at US\$9.88. Two months ago, Huaneng Power International (HPI) listed on Wall Street after cutting its offer price by 26 per cent to US\$20 a share. The State Council-backed HPI's share price still fell. It closed on Monday at US\$16.88, US\$3.12 lower than the issue price. HPI nonetheless is reported to be planning a US\$1.10bn (about HK\$8.58bn) power plant in Jiangsu province with Southern Electric International of the United States.

Given the uncertain background, Shandong International Power Development and Beijing Datang Power Generation both look set to postpone overseas listings.

#### **'Industrial Incidents' Threaten Monetary Policy**

HK0712060294 Hong Kong SOUTH CHINA  
MORNING POST in English 7 Dec 94 pp 1, 10

[By Willy Wo-Lap Lam]

[FBIS Transcribed Text] A spate of industrial incidents in China has threatened the State Council's goal of continuing its tight monetary policy for another year. Relatively non-violent labour action, including sit-ins,

strikes and demonstrations, have been reported in the past few weeks in the main industrial areas.

Economists in Beijing said Vice-Premier Zhu Rongji might be forced to selectively relax credit to prop up affected state factories to enable them to at least partially meet the demands of angry workers. Mr Zhu, who is in charge of the austerity programme, was obliged to make such emergency payouts early this year.

Industrial incidents have traditionally increased in the run-up to and after Lunar New Year, when workers have to foot hefty bills for food, clothes and furniture. Labour sources said scores of industrial incidents had taken place particularly in depressed sectors, such as textiles and garments and the metallurgical industries. These mishaps have also forced the Government to reconsider its original programme of closing down a large number of factories making chronic losses in the "twilight industries".

The sources cited sizeable demonstrations last month by workers in a state-owned cotton mill and a knitting factory in Zhengzhou capital of central Henan province. They said there were marches on the party and government offices by several thousand workers who had not been paid since the summer.

At first the officials indicated that since both factories were debt-ridden, there was nothing they could do except sell the machinery, which was not worth much. The workers were placated only when told that emergency relief funds would be forthcoming from provincial and central Government funds.

Another labour incident that required central intervention took place recently in Shaoyang, near Changsha, the provincial capital of Hunan. Because of a pay dispute, workers in a shoe factory, which is a mainland-Taiwan joint venture, beat up the Taiwan representative. It transpired later that, in addition to paying his workers, the Taiwan boss was called upon to help settle outstanding paycheques in another factory, owned by his Chinese joint-venture partner, which was close to bankruptcy. The matter was brought to the attention of the State Council after the Taiwanese owner left the mainland after learning that Shaoyang authorities refused to support him.

Sit-ins and demonstrations have also been reported in cities and towns in the northeast, which has a heavy concentration of debt-ridden state factories and mines.

Analysts said that, flushed from the backing he received from the just-ended National Work Meeting on the Economy, Mr Zhu seemed to be in a strong position to put off requests for extra funds to placate workers this winter. They said the economic tsar would try to ask provincial and municipal governments to foot the wage bills. He would also persuade rich cities along the coast to make "voluntary contributions" to inland and north-eastern provinces hard hit by labour strife.



**Advertising Industry Taking 'Healthy' Turn**  
*OW0612141094 Beijing XINHUA in English 1347*  
*GMT 6 Dec 94*

[FBIS Transcribed Text] Beijing, December 6 (XINHUA)—The Chinese advertising industry is developing in a healthy direction, following reforms.

At the Fourth General Congress of the China Advertising Association (CAA), which opened here today, Wang Zhongfu, director of the State Administration of Industry and Commerce, said that many services controlled by the state will be relegated to the association.

The aim of the reform, Wang said, is to make the association into a nongovernmental body.

According to statistics, in 1981 China had only 1,600 advertising firms, with 11,000 employees and 110 million yuan (about 12.8 million dollars) in earnings. However, by the end of July this year China had 36,900 firms with 330,000 employees. The industry's profits this year are expected to top 16 billion yuan about.

Advertising is still in the infant stage in China, and fake advertising has brought about great losses to consumers and eroded the industry's reputation because of lack of inspection in recent years, according to the CAA.

The CAA appealed at the conference for discipline to be exerted over advertising activities and for the enforcement of the advertising law passed last October.

Wang said that China will rectify the advertising market when the law come into force February 1, 1995.

**'Special Article' Views Wage System Reform**  
*HK0712061094 Hong Kong ZHONGGUO TONGXUN*  
*SHE in Chinese 0757 GMT 2 Dec 94*

["Special article" by reporter Szu Liang (1835 5328):  
 "China's Wage System Reform Is Fruitful This Year"]

[FBIS Translated Text] Hong Kong, 2 Dec (ZHONGGUO TONGXUN SHE)—Thanks to deep economic structural reform, China has gradually reformed its traditional wage system over the past few years. This year, China has quickened the pace of its wage system reform with the result that both the principle of distribution according to work and market mechanism have started playing decisive roles in the country's wage distribution domain.

Everyone knows that under a planned economy, mainland China had for a long time in the past followed a policy of "low wages, high accumulation, and more jobs." In order to build an infrastructure industry, expand the scale of reproduction, and create more jobs, the mainland authorities had to keep wages at an extremely low level in the past with the result that the state became rich whereas the people became poor.

Besides, the state was unable to either mobilize enthusiasm among staff and workers or push forward production growth by stimulating consumption.

The mainland's ongoing wage system reform is, by and large, aimed at allowing the market mechanism to play a decisive role, enterprises to decide on distribution in the absence of external interference, and allowing the government to carry out macroeconomic regulation and control. The ongoing wage system reform is displaying a stronger momentum with each passing day. It has been going on in consonance with the mainland's general economic trend and has been steadily raising the wages of staff and workers. In 1993, wages paid to the mainland staff and workers totaled 477 billion yuan, up by more than 21 percent over 1992 while per capita annual wages of mainland staff and workers rose to 3,236 yuan, up by 2.8 percent in real terms over 1992 with price increases factored in. In the first half of this year, wages paid to mainland staff and workers totaled 263.3 billion yuan, up by 30 percent over the corresponding period of 1993 while per capita half-yearly wages of the mainland staff and workers rose to 1,786 yuan, up by 3 percent in real terms over the same period of 1993 with price increases factored in.

This year, the mainland authorities have implemented a series of reform measures aimed at pressing ahead with the ongoing wage system reform. As a result, the mainland has basically dismantled its old wage structure marked by uniform wages and replaced it with a new wage structure marked by differential wages. What is more, the authorities have decided that the state should readjust wage levels and set minimum wage levels at regular intervals. The main reform measures implemented thus far are as follows:

1. In order to set up a preliminary macroeconomic regulation and control structure in the country's wage distribution domain, the authorities have decided to establish a wage increase guidance line system and a flexible aggregate wage plan on the basis of the country's annual social labor productivity and urban living cost indices.

2. The authorities have decided to carry out wage system reform in more than 2,000 large and medium enterprises to establish, on a trial basis, a modern enterprise wage system under which enterprises are able to determine wage levels on their own. This reform is primarily aimed at readjusting the income structure for staff and workers and gradually establishing a wage system under which all sorts of allowances and subsidies can be included in wages, provided that wage growth rate is lower than economic results and labor productivity growth rates.

3. The authorities have decided to institute, on a trial basis, an annual wage system for enterprise operators, including enterprise contractors and senior enterprise managerial personnel, with an eye to allowing enterprise operators to receive reasonable remuneration according to enterprise performance. The annual wages are to be



paid both from "basic wage income," which is listed as an item of production cost, and from "risk income," which is extracted from an enterprise's after-tax distributable profits. The annual wages are to be paid on a monthly basis with aggregate amounts settled at the end of the year.

4. The authorities have decided to allow a number of foreign-funded enterprises, private enterprises, collective enterprises, and joint-stock enterprises to implement, on a trial basis, a wage system under which wage levels and wage increases for different trades and posts are determined by contracts, collective consultations, and negotiations. Around 40 percent of staff and workers in the abovementioned enterprises are currently involved in this reform;

5. The authorities have decided to start implementing "Minimum Enterprise Wage Regulations." The minimum wage level should remain above the local poverty line but lower than prevailing average wage levels among staff and workers. Quite a few provinces and municipalities have publicized their respective minimum wage levels. For example, Shanghai has set a minimum monthly wage level of 210 yuan, Xiamen 280 yuan, Guangzhou 320 yuan, Shenzhen 338 yuan, and Zhuhai has set a monthly minimum level of 380 yuan, the highest in the whole country.

A number of problems and contradictions have sprung up in the course of the country's wage system reform. For instance, by taking advantage of the country's wage system reform, certain enterprises and undertakings have indiscriminately paid or raised wages, thus giving rise to excessive wage increases. Statistics show that cash drawn from banks for wage payments registered a 41 percent increase in the first 10 months of this year, causing excessive consumption and high inflation. In certain enterprises run with foreign capital, overseas Chinese capital, and with both Chinese and foreign capital, wage increases were more than labor productivity growth, resulting in growing production costs and dwindling enthusiasm among foreign investors. According to mainland experts, the country's ongoing wage system reform will encounter quite a few unpredictable problems before attaining the desired results. The "PRC Wage Law" being deliberated at the moment and to be promulgated before long will, however, offer a guide for all parties concerned in this connection.

#### Beijing To Issue Qualification Certificates

OW0612150794 Beijing XINHUA in English 1423  
GMT 6 Dec 94

[FBIS Transcribed Text] Beijing, December 6 (XINHUA)—China will promote the system of professional qualification certificate among 4,700 types of skilled trades in 1995, according to official sources.

The spreading of the system, which has operated successfully in eight types of skilled trades so far this year, is one way China aims to bring its employment system into line with international practice.

The professional qualification certificate, which will be recognized worldwide, will help workers when they apply for jobs or open enterprises.

The certificates will be conferred by the Ministries of Labor and Personnel only after school record authentication, qualification examination, expert evaluation and professional skill appraisal.

Chinese and foreign citizens allowed to be employed within China are entitled to apply for professional qualification certificates, according to the sources.

The Ministries of Labor and Personnel have jointly issued regulations concerning the evaluation and management of the professional qualification certificates.

#### Column Urges Authorities To Improve Tax Collection

HK0712075094 Beijing CHINA DAILY in English 7  
Dec 94 p 4

[By Zhou Jianhong from the "To the Point" column on the "Opinion" page: "Improve Tax-Collection"]

[FBIS Transcribed Text] People have boosted their incomes markedly with moonlighting in other occupations in recent years. With many urban residents earning cash from several sources, those liable to tax have multiplied.

According to the tax law, those whose monthly income exceeds 800 yuan (\$94.1) are liable to contribute to the State coffers. By the end of last September, 49 billion yuan (\$5.8 billion) of income taxes had been collected, 62 per cent more compared to the same period last year.

Loopholes, however, still exist in the tax-collection. An investigation conducted jointly by several government departments found that at present more than half of the income tax that should be collected is being missed. During the first nine months of this year, nearly 100 billion yuan (\$11.8 billion) of income taxes should have been handed in.

People are also boosting their capital by investing in stocks and shares. They can easily conceal their gains and dividends. Due to the backward banking system, it is hard for tax bureaux to evaluate people's real incomes and assess their tax liability.

Since the payment of income tax is a relatively new concept in China, people are not familiar with relevant rules and regulations. Some are ignorant of their tax responsibility.

Explanations of tax laws and declaration responsibilities should be made to wage earners. Tax bureaux should entrust enterprises and work units to collect income taxes directly from their employees.

Financial bodies should strengthen their functions to give supervision on people's incomes. Towards this end,

the advantages of credit cards and bank accounts with regular statements should be promoted.

### Trade Ministry Urges Speeding Up Cotton Allocation

OW0712021294 Beijing XINHUA Domestic Service in Chinese 1133 GMT 6 Dec 94

[By reporter He Jingsong, 6320 0513 2646]

[FBIS Translated Text] Beijing, 6 Dec (XINHUA)—According to information gathered by this reporter from a national work conference on cotton procurement and allocation held here today, the amount of cotton purchased nationwide was 50.81 million dan by the end of November, an increase of 15.27 million dan from the same period last year. The allocation of cotton, however, has proceeded slowly, prompting the Internal Trade Ministry to call for strengthening later-stage cotton procurement and allocation.

It is reported that the pace of procurement has varied from region to region. False reporting of the grades and fiber lengths of purchased cotton is quite serious, as a result of which cotton strains rarely match their reported grades. The quantities of cotton purchased are not reported in some areas; whereas in other areas, cotton mills have made purchases secretly, markets have not been controlled strictly, and prices driven up in border areas have precipitated a scramble for cotton. Moreover, except for Xinjiang where progress has been fairly good, other cotton-growing provinces and regions have proceeded slowly in implementing the inter regional cotton allocation plan relayed by the state for September to December 1994. Only 29 percent of the cotton allocation plan had been completed by the end of November. This has affected the development of textile industries.

Huang Jin, director of the Internal Trade Ministry's Agricultural Service Department, noted at the conference: Supply and marketing cooperatives at all levels should continue to make later-stage cotton procurement a success, and guard against the slackening of control during the later stage. All localities should truthfully report the quantities of cotton they have purchased. We should intensify publicity efforts among cotton growers, with whom we should reason about their vital interests. Rural cadres should take the lead in delivering cotton and promoting cotton sales to the state.

In light of the slow process of cotton allocation, Huang Jin said: Cotton-growing areas should take overall interests into account, implement the guidelines of the national work conference on cotton, and earnestly carry out the state allocation plan. Supply and marketing cooperatives in cotton-growing areas should first speed up cotton processing. Most localities have purchased the bulk of cotton. Cotton ginning mills should shift their focus to processing, increase the number of production shifts, and hasten the processing of unginned cotton. Second, supply and marketing cooperatives should work

closely with railways and communications departments to harmonize their transportation plans so that processed cotton will be transported on time in accordance with the allocation plan. For their part, localities that have proceeded slowly in purchasing and processing cotton should firmly implement the allocation plan. Third, supply and marketing cooperatives in cotton-growing areas should stop supplying off-plan cotton to their affiliated cotton mills while strictly controlling in-plan cotton so that nobody will "get a jump" on it. Supply and marketing cooperatives, cotton and hemp companies, and raw materials supply companies under textile departments in cotton-marketing areas that undertake cotton supply business should promptly coordinate their actions with cotton-growing areas according to plan, make funds available to cotton supply units in cotton-growing areas at an early date, and promote smooth progress in allocation. At the conference, the Internal Trade Ministry also made concrete plans for shipping cotton out of Xinjiang.

### Agricultural Bank President Holds News Conference

OW0612134994 Beijing XINHUA in English 1313 GMT 6 Dec 94

[FBIS Transcribed Text] Beijing, December 6 (XINHUA)—China's total rural deposits recorded a new high of 825 billion yuan (about 9.7 billion U.S. dollars) at the end of last month, a sharp increase of 210 billion yuan from the beginning of this year.

On the other hand, the figure for urban residents' savings in banks and other financial institutions surpassed 2.1 trillion yuan in the same period.

Shi Jiliang, president of the Agricultural Bank of China (ABC), told a press conference today that the increase in rural deposits resulted from this year's good harvest and a big-margin increase of government purchasing prices for staple foods, cotton and edible oil.

Those factors further pushed up farmers' earnings, while the ABC's decision to increase its interest rate and open an inflation-proof deposit service served to boost depositors' enthusiasm.

Thanks to the timely governmental credit supply, this year Chinese peasants received no IOUs, which used to be a common method of payment delay in agricultural products purchase. Thus, the farmers' annual income has registered an increase of three percentage points after three years' fluctuation.

Such a savings surge has considerably eased the country's capital shortage, said the president.

By the end of last month the ABC and Agricultural Development Bank allocated loans totalling 73.9 billion yuan for agricultural product purchases nationwide.

To date, the state has bought 56.68 million tons of grain, accounting for 64 percent of the planned figure. In

addition, it has bought 2.41 million tons of cotton, 850,000 tons more than it did last year.

So far, 1.14 million tons of edible oil has been purchased.

Moreover, during the January-October period, the ABC granted loans of more than ten billion yuan to the "Shopping Basket Project", a government-sponsored development program for supplying non-staple food-stuffs to big and medium-sized cities, aiming at adequate food supply and price stability.

#### **Agricultural Bank Becomes 'Largest'**

HK0712074894 Beijing CHINA DAILY in English  
7 Dec 94 p 2

[By Li Yan: "Rural Savings Hit \$97 Billion."]

[FBIS Transcribed Text] The Agricultural Bank of China (ABC) yesterday announced that its savings hit a record 825 billion yuan (\$97 billion) by the end of November, making it the country's largest personal savings bank.

Bank president Shi Jiliang was pleased with the latest figures, which included savings from rural credit cooperatives under his bank, because more than a third of the country's individual savings have been taken in by the Agriculture Bank.

National totals for individual savings have reached about 2,100 billion yuan (\$247 billion).

Shi said that, because of the vast savings handled by rural credit cooperatives (RCCs), the RCCs have contributed more to the Agricultural Bank's savings.

The RCCs' individual savings reached 475 billion yuan (\$55.8 billion) by the end of last month.

Shi attributed the sharp increase of rural personal savings to the quick improvement of farmers' income, as

well as the success of government control over the countryside's financial order.

This year, the government has raised the purchasing prices of farm products, resulting in a rapid growth in rural income.

The purchasing price of cotton, for example, has been raised to more than 600 yuan (\$70.5) per 50 kilograms, almost double the price of last year.

Also, Shi said, the rapid growth in savings is a result of government efforts to re-adjust the interest on savings accounts and to carry out value-protection savings adjusted to inflation.

He said such efforts have raised farmers' confidence in banking. Farmers now believe that it is the best way to protect their assets from devaluation.

The Ministry of Agriculture predicted that this year per capita income for rural residents will increase 5 or 6 per cent.

The surge in individual savings has also beefed up the lending strength of the Agricultural Bank, Shi said.

As the leading bank in rural China, the bank now needs adequate cash to invest in the agricultural sector, as well as to support the grass-roots commercial units for purchases in the autumn harvest, he added.

By the end of November, the bank's total loans, and those of the RCCs, to agriculture and rural industries reached 1,069 billion yuan (\$125.7 billion).

The bank still considers lending for farm produce purchases its major task.

"We have pledged that there will be no more IOUs to be issued by the local purchase units for exchange of farmers' autumn harvests," Shi said.

However, he said, the bank faces greater financial pressure in achieving this goal as inflation continues.



### East Region

#### New High-Tech Zone Formed Along Chang Jiang

OW0612150994 Beijing XINHUA in English 1427  
GMT 6 Dec 94

[FBIS Transcribed Text] Nanjing, December 6 (XINHUA)—China's most important new high-tech zone has taken shape along the Chang Jiang River, a senior official told a seminar in this capital of east China's Jiangsu Province.

The economy along the Chang Jiang River is growing briskly as a development outline for the provinces and cities along the river has been unveiled, said Zhang Chaoying, who is in charge of the "Torch" Development Program sponsored by the State Science and Technology Commission.

Zhang said that 17 of the 52 new high-tech projects in the "Torch" program are located along the Chang Jiang River, and account for over 40 percent of the total output and gross profit of all the projects.

There are also seven provincial-level new high-tech districts in the region.

The river has become the home of a group of new high-tech industries, which are leading the economic growth in the area.

#### Express Mail System Set Up in Chang Jiang Delta

OW0612163894 Beijing XINHUA in English 1617  
GMT 6 Dec 94

[FBIS Transcribed Text] Beijing, December 6 (XINHUA)—An express mail system was put into operation early this month in nine cities in the Chang Jiang river delta, one of the most economically advanced regions in China.

The nine cities are China's largest manufacturing center of Shanghai; Jiaxing, Huzhou and Hangzhou in Zhejiang Province; and Suzhou, Wuxi, Changzhou, Nanjing and Zhenjiang in Jiangsu Province.

With the help of the express mail system, a letter can be sent from Shanghai to Nanjing, the provincial capital of Jiangsu, within 24 hours.

The Posts and Telecommunications Departments of Shanghai, Jiangsu and Zhejiang have made efforts to build an express mail system in the delta region this year.

Besides the railway postal service, they have established two truck mail routes between Shanghai and Hangzhou, capital of Zhejiang Province, and between Hangzhou and Suzhou, a scenic city in Jiangsu.

The truck mail services also have made it easy to send express letters between cities at night.

#### Text of Decree on Jiangsu Mineral Rights Fees

OW0612144494 Nanjing XINHUA RIBAO in Chinese  
25 Nov 94 p 6

["Procedures for Managing the Collection of Mineral Rights Fees in Jiangsu Province"—XINHUA RIBAO headline]

[FBIS Translated Text] Article 1. These procedures are formulated in accordance with Article 20 of the "Provisions for Managing the Collection of Mineral Rights Fees" issued by the State Council.

Article 2. The management of the collection of mineral rights fees in Jiangsu Province shall be carried out in accordance with the "Provisions for Managing the Collection of Mineral Rights Fees." These procedures shall apply where the "Provisions for Managing the Collection of Mineral Rights Fees" do not provide stipulations or provide stipulations which are in principle only.

Those who exploit mineral resources within the administrative district of Jiangsu Province must abide by the "Provisions for Managing the Collection of Mineral Rights Fees" and these procedures at the same time.

Article 3. The department in charge of geology and mineral resources under the provincial, city, and county (city) people's governments shall be responsible for collecting mineral rights fees and accept supervision by the financial department at the same level and by the department in charge of geology and mineral resources under the people's government at the higher level.

Where a mine is located in a county (city), the department in charge of geology and mineral resources under the county (city) people's government shall be responsible for collecting mineral rights fees; in case a mine is located in the administrative district of a district in a city, the department in charge of geology and mineral resources under the city people's government shall be responsible for collecting mineral rights fees.

Where the area of a mine extends beyond the administrative district of a city or county (city), the department in charge of geology and mineral resources under the people's government at the higher level that has jurisdiction over the cities or counties (cities) in which the mine is located shall be responsible for collecting mineral rights fees. The department in charge of geology and mineral resources under the people's government at the higher level that has jurisdiction over the cities or counties (cities) in which the mine is located may also entrust the department in charge of geology and mineral resources under the people's government at the lower level to collect mineral rights fees in the light of actual situation.

In case a city or county (city) does not have a department specifically put in charge of geology and mineral resources, the department in charge of geology and mineral resources under the people's government at the

higher level shall be responsible for collecting mineral rights fees on behalf of the city or county (city).

Article 4. The people with mining rights mentioned in Article 4 of the "Provisions for Managing the Collection of Mineral Rights Fees" include state-owned mining enterprises, collective mining enterprises, private mining enterprises, foreign-invested mining enterprises, and other mining enterprises and self-employed businessmen engaged in exploiting mineral resources that have obtained a permit for exploiting mineral resources in accordance with the law as well as the legally approved mining enterprises that are still in the process of applying for a permit to exploit mineral resources.

Units and individuals that purchase mineral products whose suppliers have not yet paid mineral rights fees shall become withholding agents or obligators for the said mineral rights fees.

Article 5. Mineral products to be calculated for a levy of mineral rights fees refer to exploited mineral resources or on-sale products after exploitation of mineral resources.

Article 6. The method for appraising and determining the percentage of recovery is as follows:

(1) The appraised percentage of recovery shall be first approved by the appropriate department in charge of mining enterprises and then rechecked and determined by the department in charge of geology and mineral resources at the same level.

(2) As regards mining enterprises (or self-employed businessmen engaged in exploiting mineral resources) without an index for the percentage of recovery, the department in charge of geology and mineral resources shall determine the coefficient of percentage of recovery for them. In principle, the coefficient must not be less than one.

Article 7. Procedures for payment of mineral rights fees:

(1) People with mining rights shall obtain a "declaration form for the payment of mineral rights fees" and "mineral rights fees payment notice" from the levying organization and the latter shall explain its requirements to the former;

(2) People with mining rights shall fill in the "declaration form for payment of mineral rights fees" and, meanwhile, submit various data and information on the varieties, output, sales volume, sales prices, and actual mining recovery ratio of the extracted mineral products necessary for calculating mineral rights fees; and

(3) The levying organization shall examine and approve the "declaration form for payment of mineral rights fees"; people with mining rights shall then fill in the "mineral rights fees payment notice" on the basis of the approved "declaration form for payment of mineral rights fees"; and, after the "mineral rights fees payment

notice" is approved and stamped by the levying organization, people with mining rights shall then make payment for mineral rights fees in accordance with the method stipulated in Article 9 of these procedures.

Article 8. People with mining rights shall pay their mineral rights fees within one day or within five, 10, or 15 days after the sale of their mineral products or within a regular one or three-month interval; all the mineral rights fees due for the first half of the year should be paid by 31 July annually, and all such fees due for the second half should be paid by 31 January of the next year. The department in charge of geology and mineral resources under the provincial, city, county (city) people's governments shall stipulate a specific time limit for such payments.

Article 9. Those people with mining rights who have a bank account may pay their mineral rights fees through the method of settling accounts at a bank and those without a bank account shall pay their mineral rights fees in cash.

Article 10. Those people with mining rights who meet one of the qualifications stipulated in Articles 12 and 13 of the "Provisions for Managing the Collection of Mineral Rights Fees" may submit a request in writing for exemption from or reduction in the payment of their mineral rights fees, stating the reasons, time limit, and amount, to the levying organization by the end of January every year and fill in a "Form for Examination and Approval of Mineral Rights Fees Exemption (Reduction)." After the form is jointly examined and approved by the levying organization and the financial department at the same level, it shall be submitted to the department in charge of geology and mineral resources under the provincial people's government and to the financial department at the same level for their joint approval.

If a request for a reduction in the payment of mineral rights fees must be approved by the provincial people's government in accordance with the stipulation contained in Clause 2 of Article 13 of the "Provisions for Managing the Collection of Mineral Rights Fees," it shall be first jointly examined and approved by the department in charge of geology and mineral resources under the provincial people's government and by the provincial financial department and then submitted to the provincial people's government for approval.

The department in charge of geology and mineral resources under the provincial people's government shall serve a notice in writing on the approved requests for an exemption from or reduction in the payment of mineral rights fees to the people with mining rights and report such requests to the department in charge of geology and mineral resources under the State Council and to the State Council's Financial Department for the record.

The amount of exemption from or reduction in the payment of mineral rights fees and their time limit shall take effect on the date of their approval.



Article 11. Once every six months, those people with mining rights who are exempt from payment of mineral rights fees should submit relevant information on the output, sales volume, sales prices, and actual mining recovery ratio of their mineral products to the levying organization for it to present an itemized report to the department in charge of geology and mineral products under the people's government at the higher level. Those people with mining rights who are granted an exemption period of less than half an year should submit the aforesaid information to the levying organization immediately upon the expiration of their exemption period.

Article 12. After people with mining rights have completed the formalities for the closure of their pits in accordance with the law, the calculation of their mineral rights fees to be collected by the authorities shall stop on the date they have sold out their exploited mineral products.

Article 13. Mineral rights fees collected by departments in charge of geology and mineral resources shall be delivered to government coffers in accordance with provisions on the management of state coffers. Surcharges for deferred payments and proceeds from fines shall be delivered in full immediately to government coffers pursuant to state provisions on practicing budgetary control over administrative expenses and proceeds from fines and confiscated money. Mineral rights fees shall be delivered to government coffers under the supervision and guidance of financial departments at corresponding levels. Mineral rights fees shall be incorporated into the state budget pursuant to relevant provisions on state budgets.

No department or individual may retain mineral rights fees, use them to finance expenses, appropriate them, or divide them for private use.

Article 14. In collecting surcharges for deferred payments from mining right owners, departments in charge of geology and mineral resources must use receipts printed under the provincial financial department's unified plans for exclusive use in imposing fines and confiscating money. Mining right owners may refuse to make payments in the absence of such receipts.

Article 15. Departments in charge of geology and mineral resources under county (county-level city) and city people's governments shall collect and consolidate statistics on the collection of mineral rights fees, and use such data to compile "balance sheets on collecting mineral rights fees." They shall submit those sheets to higher departments in charge of geology and mineral resources through successive levels, while, at the same time, reporting the information to the financial departments at corresponding levels.

Article 16. Mining rights owners shall truthfully and promptly furnish the material required by departments in charge of geology and mineral resources in the specified manner.

When mining rights owners are found to misrepresent ore types, conceal output and sales, or falsely report selling prices and actual mining recovery rates, departments in charge of geology and mineral resources have the right to inspect and obtain the original documents, accounting receipts, account books, production schedules, and other data used by mining rights owners in computing mineral rights fees. They also have the right to enter production sites to obtain relevant data.

Departments in charge of geology and mineral resources shall maintain the confidentiality of the data mentioned in the preceding paragraph.

Article 17. Departments in charge of geology and mineral resources under people's governments at higher levels shall reward departments and individuals who have scored remarkable achievements in collecting mineral rights fees in accordance with the law. Funds to be used as rewards shall be included in their operational costs.

Article 18. When revoking the prospecting permits of mining right owners in accordance with Articles 14 through 16 of the "Provisions on Managing the Collection of Mineral Rights Fees," departments in charge of geology and mineral resources shall inform industrial and commercial departments, taxation departments, public security departments, and banking institutions, who shall terminate the relevant rights of mining right owners pursuant to relevant provisions.

Article 19. Work units shall mete out disciplinary action against employees at departments in charge of geology and mineral resources who embezzle and misappropriate mineral rights fees and proceeds from fines by falsifying and altering receipts, or who do not collect mineral rights fees from mining right owners, exempt mining right owners from mineral rights fees, or reduce the amount of mineral rights fees by abusing their powers to seek private gain and accepting bribes. If their actions constitute crimes, judicial organs shall investigate them on criminal grounds in accordance with the law.

Where departments in charge of geology and mineral resources conceal or retain mineral rights fees and proceeds from fines, the people's governments or supervision departments at corresponding levels shall mete out disciplinary action to the persons in charge and to those who are directly responsible pursuant to the limits of authority over cadre management. Departments in charge of geology and mineral resources under people's governments at higher levels shall impose fines not more than 20 percent of the amounts concealed or retained. If the actions constitute crimes, judicial organs shall investigate criminal responsibility in accordance with the law.

Article 20. In conjunction with the provincial department in charge of geology and mineral resources, the provincial financial department shall formulate specific procedures on the use and management of mineral rights fees collected by local authorities. The procedures shall



be promulgated for implementation with the provincial people's government's approval.

Article 21. Where the contents of rules and administrative documents issued by local people's governments prior to the promulgation of these procedures conflict with the latter, the latter shall take precedence.

Article 22. The department in charge of geology and mineral resources under the provincial people's government shall be responsible for interpreting these procedures.

Article 23. These procedures shall take effect on the date of promulgation. The "mineral fees" referred to in the "Jiangsu Provincial Procedures for Trial Implementation on Collecting Fees From Collective Mining Enterprises and Individual Mining Operations" promulgated by the provincial people's government on 11 October 1989 shall be changed to "mineral rights fees" on the same day.

#### Mineral Rights Fees Promulgated

OW0612144294 Nanjing XINHUA RIBAO in Chinese  
25 Nov 94 p 6

[FBIS Translated Text] Decree No. 48 issued by the Jiangsu Provincial People's Government on 10 July 1994.

With the approval of the provincial people's government, the "Procedures for Managing the Collection of Mineral Rights Fees in Jiangsu Province" are hereby promulgated for implementation.

#### Zhejiang: UN To Open Hydroelectric Power Center

OW0712061294 Beijing XINHUA in English 0540  
GMT 7 Dec 94

[FBIS Transcribed Text] Hangzhou, December 7 (XINHUA)—The United Nations International Small Hydroelectric Power Center will open in this capital of east China's Zhejiang Province later this month.

Experts said this signifies increased cooperation in small hydropower station development between China and the rest of the world.

Over the past decade, UN agencies have held several international conferences on small hydropower station development in Hangzhou. Local hydropower experts and their counterparts in the Asia-Pacific region have also actively conducted cooperation, including jointly sponsoring training, consultancy and design programs.

Experts expect that the construction of small hydropower stations will continue to boom in China.

By 1993, some 48,294 rural hydroelectric power stations, with a generating capacity totalling 15.05 million kw, had been built in rural areas, 93 times the figure for the early 1950s.

To date, hydropower stations are available in almost all localities in China. Those in the most populous province of sichuan, in southwest China, have a total generating capacity of 2.31 million kw. In many other provinces, such as Hubei, Hunan and Zhejiang, the generating capacity of all small hydro-power stations ranges between 900,000 and two million kw.

Experts attribute the boom to low construction cost and wholehearted government support.

To date, some 780 counties and 120 million rural households depend on small hydropower stations for electricity for lighting, heating and use in agricultural production.

#### Zhejiang Farmers Achieve Higher Yields

OW0712061594 Beijing XINHUA in English 0511  
GMT 7 Dec 94

[FBIS Transcribed Text] Hangzhou, December 7 (XINHUA)—Farmers in east China's Zhejiang Province are using new high technology to achieve more efficient higher-yield agriculture.

So far the province has cultivated more than 20 new rice strains by means of radiation breeding, most of which are being cultivated on large acreage, according to Chen Chuanqun, deputy director of the provincial academy of agricultural sciences.

"Zhefu-802" rice, for example, developed by Xia Yingwu, a professor at the Zhejiang Agricultural University, and his group is remarkable for its short growing period, high yields, strong resistance against diseases and widespread adaptation.

The rice has been grown, over the past few years, on a total of 97 million ha of paddy fields, the largest amount of acreage being used for the country's new rice species.

The cultivation of new crop species by way of radiation-induced mutation is only a part of nuclear technology applications.

Isotopic tracing is used to provide more appropriate guidance in applying fertilizer and spraying pesticides. Radiation is also used to keep fruits and other rural products fresh, and radiation therapy can be used to diagnose diseases in livestock and poultry.

Farmers used to fret about whether a cow was pregnant or not, and the only way to know for certain was to fumble with the cow's belly. In many cases, their hopes were shattered and the cow had to wait another season.

Now, farmers only have to drip some milk on a piece of filter paper, let it dry, and post it to a local testing institute. In turn, the institute will measure the cow's genital hormones contained in the milk.

This advanced technique has now spread across the entire province, and has even been bought by

Heilongjiang Province in northeast China, which boasts one-fifth of the country's total cattle.

In addition, other computer and remote-sensing technologies have been applied to different aspects of farming in Zhejiang Province.

Biological technology helps cultivate high-yield and high-quality crop species, detect the sex of poultry, and speed up the breeding of trees and flowers.

Researchers at the provincial agricultural university extracted the larval embryo from a hybrid, improved variety of wheat and cultivated a new specie which is short, high-yield and early maturing.

Local people are also benefiting from computer technology for making farming and fishing forecasts. Ultimately, they will be told the best method for applying fertilizers, possible fishing volume, or be warned against plant diseases and insect pests.

With the aid of computers, researchers at the Zhejiang Academy of Agricultural Sciences and the provincial computer research institute analyzed data, and put factor information into computers to make forecasts.

During the past 10 years, researchers have succeeded in predicting the occurrence of rice diseases in the province's paddy fields.

The province is also leading the country in conducting soil surveys and estimating rice production by means of modern remote-sensing technology. To do this, the research institute of remote-sensing and information technology of Zhejiang Agricultural University has been successful in combining satellite and aircraft detection and common data.

### Central-South Region

#### Guangdong Debates Property Regulations

HK0712070794 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 0913 GMT 15 Nov 94

[FBIS Translated Text] Guangzhou, 15 Nov (ZHONGGUO TONGXUN SHE)—The 11th Session of the Eighth Guangdong Provincial People's Congress Standing Committee, scheduled to last 10 days, is being held in Guangzhou. The topic which has grabbed the greatest attention concerns an inquiry at the session in which a deputy, He Bi, and 20 of his colleagues raised questions about issues related to the way the provincial State Land Department implemented the "Guangdong Province Procedures for Registering Property and Real Estate Entitlements in Townships and Towns" (henceforth "Procedures").

The Ninth Session of the Eighth Guangdong Provincial People's Congress Standing Committee passed the "Procedures" on 6 July this year. The "Procedures" state that provided the right to use state land in a township or a town has been secured, the procedure whereby both the

land and property and real estate departments have to register and issue certificates for the entitlement to a property will no longer be operable. Instead, one department (that is the property and real estate department) will register, verify, and issue certificates for the entitlement to property or real estate. For the general public, this would mean that it was no longer necessary to apply for two certificates from two departments for their properties—the procedures had been simplified.

However, after the announcement of the "Procedures," the Guangdong Provincial State Land Department twice faxed instructions to its city and county counterparts claiming that the "Procedures" were "drafted directly by the provincial people's congress standing committee," that "given two separate organs administering property and real estate affairs, certificates should be issued in accordance with the existing laws, namely, the current procedures for issuing land right certificates," and that "efforts must be made to indicate and explain to local governments and people's congresses the disadvantages and the serious consequences of issuing one consolidated certificate in areas having separate property and real estate organs."

Lin Ruo, provincial people's congress standing committee chairman, and vice chairman Yu Fei both said in an interview: "This is a case of contempt for the law. An incident of such general significance is the first ever to occur since the provincial people's congress standing committee was founded close to 15 years ago."

The Guangdong Provincial People's Congress Standing Committee is a permanent state power organ carrying legislative powers for Guangdong. The rules and regulations it passes are invested with the power of law and must be observed by the province's executive departments. When one of its executive departments differs on a certain rule or regulation, explained by the person-in-charge of the provincial people's congress standing committee, it may reflect its viewpoint to the committee itself, or directly to the National People's Congress Standing Committee. However, in no way can it act in contradiction of the rule or regulation, in which case it will have broken the law.

Pursuant to a decision adopted by the current session of the provincial people's congress standing committee, the person-in-charge of the provincial State Land Department will be available on the morning of 16th to answer questions raised by the inquiry.

#### Guangdong Land Chief on Law's Implementation

HK0712063994 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0314 GMT 17 Nov 94

[Report by reporter Zhang Chuanxi (1728 0278 3556): "Guangdong Land Department Director Answers Questions Raised by Members of Provincial People's Congress Standing Committee"]



[FBIS Translated Text] Guangzhou, 17 Nov (ZHONGGUO XINWEN SHE)—As the Guangdong Provincial Land Department had sent two "telegrams" in succession, to the extent that a law adopted by the provincial people's congress standing committee could not be implemented according to schedule, Yuan Zheng, director of the provincial land department, was questioned by the provincial people's congress standing committee yesterday morning.

On 6 July 1994, the provincial people's congress standing committee adopted and promulgated the Guangdong Provincial Regulations on the Registration of Ownership of Urban Landed Properties, which stipulated that a single department would register the ownership of landed properties and issue certificates, so as to provide convenience to residents. As many local governments in Guangdong still have the two organizations of building committees and land departments at this time, certificates of ownership of landed properties are approved and issued by the two organizations, respectively, according to the usual practice. The Regulations stipulated that one, and only one, certificate should be issued by a single organ, and this involves the problem of power and interests between organs.

The land department twice sent "emergency notice" telegrams, which stressed that the Regulations were not "completely identical" with the method for managing urban real estate which was passed by the National People's Congress on 5 July, and the telegrams demanded that subordinate units "act according to the current procedure of issuing certificates of land ownership according to the law."

As this move by the land department made it impossible to implement the Regulations beginning 1 September, at the current round of meetings of the provincial people's congress standing committee, 21 deputies put their names on a bill of inquiry, demanding that the land department answer for the above-mentioned behavior.

Yuan Zheng explained: The Regulations passed by the provincial people's congress stipulated that only one certificate issued by one department is needed, but the nationwide "Method for Managing Urban Real Estate" stipulated that two certificates, issued by two departments, are needed. Implementation of the new Regulations would run into many difficulties. In order not to let land management work stop, the two telegrams were sent.

He said he was willing to take responsibility for the incident. Yuan Zheng reflected on the incident and said: The two telegrams were "imprudent and improper."

During the three hours of speeches by the deputies, five of the six deputies clearly said that they were dissatisfied with Yuan's answer.

As the incident is not over, Director Yuan Zheng still will have to answer questions raised by the provincial people's congress.

**Guangdong Strengthens Control of Foreigners**  
*OW0612135394 Beijing XINHUA in English 1330 GMT 6 Dec 94*

[FBIS Transcribed Text] Guangzhou, December 6 (XINHUA)—Guangdong, an economically vibrant province and a center for overseas investment, has stepped up its control of foreigners who fall under its jurisdiction. The province is a major focal point for foreigners visiting China.

Last year, Guangdong received about 2.84 million foreign guests, and provided temporary accommodations for over one million of them. That is in addition to the 5,400 foreigners who live in this southern province.

To boost the administration of these people, the province has simplified formalities for foreigners visiting or leaving the province.

At present, overseas guests can get their visa in seven of the ports in order to visit relatives or tour the province, and after clearing customs, they can go to any counties of the province.

Since December 1 last year, those people who are on a package tour organized by a Hong Kong-based tourist service, can stay in Shenzhen, a special economic zone in the southern part of the province, for up to three days without having to register.

Half-year visas are available to those foreigners who hold ordinary passports but have residence permits in Hong Kong or Macao, to those who have business relations with domestic enterprises, and those who are married to Chinese citizens or have property in the province.

At the same time, Guangdong has cracked down on foreigners who are engaged in illegal activities in the province. For the past four years, the province handled 518 cases in which foreigners were involved.

1,600 of them were involved in illegal entry or employment. So far, 1,474 people have been forced to leave. Another 392 persons were involved in 80 separate criminal activities.

The province has also organized counter-activities to round up a number of foreign terrorists and criminals that have slipped into the province.

To maintain long-term stability, the province has set up a group of 1,200 people and introduced computer systems for the administration of foreigners in the province.

**Shenzhen To Check Documents of Foreign Residents**

*HK0712061194 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0714 GMT 19 Nov 94*

[FBIS Translated Text] Shenzhen, 19 Nov (ZHONGGUO TONGXUN SHE)—Shenzhen City Public Security Bureau has decided that, starting 1 December,



foreign residents in Shenzhen must submit their documents of abode for inspection at specified times.

Following the relevant provision of the detailed rules for implementing the "PRC Law on Managing the Entry and Exit of Foreigners," Shenzhen City Public Security Bureau has decided to inspect the documents of abode held by foreigners in 1994. The foreign residents in the Nanshan District of Shenzhen should submit their documents to Shekou Public Security Subbureau for inspection from 1 to 6 December and foreign residents in Luohu, Futian, Baoan, and Longgang Districts must bring their documents of abode to Shenzhen City Public Security Bureau's Household Registration Department's Foreign Affairs Section, for inspection from 1 to 15 December. Within seven days of receiving notice, foreign-funded enterprises should send someone to the specified location to collect the "Form for Registering Conditions of Foreign-funded Enterprises" and the "Form for Registering Residence of Foreigners" and fill them out. When the forms are completed, the enterprises should submit the "Certificate of Residence for Foreigners" and their passports for inspection. Other foreign residents may collect the "Form for Registering Residence of Foreigners," fill it in and submit it with their passport to a specified location at a specified time for inspection.

The public security department will follow the relevant provision in the detailed rules for implementing the "PRC Law on Managing Entries and Exits of Foreigners" to penalize those who fail to submit abode documents for inspection at the specified time.

#### Henan Secretary Attends Party Building Ceremony

HK0612140294 Zhengzhou Henan People's Radio  
Network in Mandarin 2300 GMT 4 Dec 94

[FBIS Translated Excerpt] Yesterday morning, a ceremony was held in the provincial party committee complex for cadres from institutions directly under the provincial authorities who are going to the rural areas to help strengthen party building. Present at the ceremony were provincial party and government leaders, including Li Changchun [provincial party secretary], Ma Zhongchen [provincial governor], Ren Keli, Song Guochen, Ma Xianzhang, and Zhang Wenbin. [passage omitted]

Ren Keli, deputy secretary of the provincial party committee, spoke at the ceremony on behalf of the provincial party committee and government, saying: To implement the instructions of the Fourth Plenary Session of the 14th CPC Central Committee, strengthen rural party building, and stimulate rural reform and development, the provincial party committee has decided to select a number of office cadres to form work groups on rural party building. They will rectify rural grass-roots party organizations in groups within three years. Now, the work groups which have just been formed here will go to

the rural areas. I hope everyone of you will study Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, conscientiously implement the party's basic line, and follow the requirements of the party Central Committee and the provincial party committee [passage omitted].

Li Changchun, secretary of the provincial party committee, held cordial talks with some of the work group members prior to their departure for the rural areas.

#### Henan Meets Cotton Procurement Goals

HK0712060594 Zhengzhou Henan People's Radio  
Network in Mandarin 2300 GMT 5 Dec 94

[FBIS Translated Excerpt] Yesterday afternoon the provincial party committee and government held a provincewide cotton procurement meeting to sum up the experiences and lessons in previous cotton procurement, to analyze the causes of stagnation in the province's cotton procurement, and to discuss measures for speeding up cotton procurement to change Henan's passivity in cotton procurement. Vice Governor Yu Jiahua presided over the meeting. Li Changchun, secretary of the provincial party committee; Governor Ma Zhongchen; Vice Governor Li Chengyu; and other leading comrades were present at the meeting. [passage omitted]

The current cotton procurement situation is quite grim. By the end of November, cotton procurement throughout the province totaled 158,112 tonne, accounting for 27.5 percent of the procurement plan, 49,145 tonne less than last year's procurement. [all figures as heard] Henan's cotton procurement process ranks after Xinjiang, Jiangsu, Shandong, Hubei, and Hebei.

In his speech, Ma Zhongchen stressed: All levels of party committees and governments must further strengthen their leadership and focus their attention on cotton procurement in rural work. Party and government leaders must take personal charge of cotton procurement and promptly resolve new problems which appear. [passage omitted] They must encourage cotton growers to sell their cotton to the state. Party members, Communist Youth League members, cadres, and staff members must take the lead in selling cotton to the state.

Ma Zhongchen demanded: All localities must take effective measures to exercise strict and proper management over cotton markets and deal resolute blows at cotton dealers who disrupt the cotton procurement order. [passage omitted]

At the conclusion of the meeting, Li Changchun made an important speech, stressing: Cotton procurement involves economic stability and our international reputation. Therefore all levels of party committees must unify their understanding on the basis of central decisions, safeguard the authority of the Central Committee, and resolutely implement the state's cotton procurement

policy. Grass-roots party organizations throughout the province must bring their militant role into play and party members must play an exemplary role. The peasants must be encouraged to sell their cotton to the state. [passage omitted]

#### Henan To Boost Cotton Procurement Situation

HK0612143494 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 3 Dec 94

[FBIS Translated Text] On 29 November, the provincial supply and marketing cooperative held a province-wide emergency telephone meeting calling for further efforts in the fulfillment of this year's cotton procurement plan.

The meeting pointed out: At present, Henan's cotton procurement is proceeding very slowly and the situation is quite grim. In addition, supply and marketing cooperatives are not strict in the implementation of standards, and the 12-point prohibitions have not been resolutely put into effect. This must be taken into serious account. All levels of supply and marketing cooperatives as well as cotton companies should inform cotton growers that cotton prices will not change this year, and if they do not sell their cotton they will eventually suffer losses. In the meantime, supply and marketing cooperatives must cooperate with the relevant departments in exercising good management over markets; strictly follow the instructions of the provincial planning commission, the provincial economic commission, and the provincial supply and marketing cooperative on strengthening cotton procurement statistics and cotton allocation; submit their statistics; and are not allowed to resort to deception. All levels of supply and marketing cooperatives as well as cotton companies must also pay attention to the cotton procurement process and cotton allocation.

#### Hubei Governor Addresses Meeting

HK0612143594 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 29 Nov 94

[FBIS Translated Excerpt] From 26 to 28 November, the provincial party committee and government held a meeting in Wuchang on province-wide economic circulation work, during which all localities were urged to develop macroeconomic circulation, open macromarkets, control inflation, and bring about the sustained, stable, and coordinated [chi xu wen ding xie tiao] development of the national economy. Present at the meeting were: Governor Jia Zhijie; Hui Liangyu, deputy secretary of the provincial party committee; Vice Governor Chen Shuiwen; and Zhang Huainian, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference.

Jia Zhijie spoke at the meeting. Hui Liangyu summed up the meeting, and Chen Shuiwen delivered a work report.

Jia Zhijie focused on four issues:

First, there is a need to correctly understand Hubei's circulation situation. Now, all types of markets are

developing in the province; the circulation channel is becoming increasingly smooth; markets are stable, booming, and lively; the socialist market economic circulation structure is taking shape; and the development of the province's circulation enterprises basically conforms with overall economic development. In addition, we must also be aware that Hubei's tertiary industrial development is a little backward, its circulation structure is falling behind the needs of the market economy, and there is still a gap between Hubei and other fraternal provinces. [passage omitted]

Second, we must clearly understand the basic idea for making breakthrough developments in circulation. The general guidelines for breakthrough developments in circulation are exploring macromarkets, developing macrotrade, invigorating macrocirculation, and stimulating tertiary industries in such a way that they enter a fast orbit, which are all aimed at establishing a socialist market economic structure. [passage omitted]

Third, we must control inflation and regard this as the major matter in circulation work. Since the beginning of this year, Hubei's rate of price increases has been higher than the national average. An important factor is that circulation is in confusion. The major role of state commerce and supply and marketing cooperatives must be brought into play in circulation to control price hikes. [passage omitted]

Fourth, all levels of governments must list the development of circulation as an important topic on their agendas, formulate their own circulation development plans, and decide targets for endeavor. The scale of commodity circulation throughout the province must be expanded. Next year, the growth rate in total retail sales volume of consumer goods must be maintained at between 20 and 25 percent, to stand at 80 billion yuan. [passage omitted]

By the year 2000, the retail sales volume of consumer goods throughout the province will amount to 160 billion yuan, twice that of 1995 [as heard]. To achieve this end, markets must be improved, with the focus on expanding the market scale, upgrading products, perfecting service facilities, and strengthening service functions. In particular, wholesales markets must be improved.

In conclusion, Jia Zhijie said that all levels of governments and their relevant departments must transform their work style, conduct in-depth surveys, coordinate service work, and help circulation departments to resolve all sorts of difficulties and problems. [passage omitted]

#### Hubei Holds Meeting on Educational Work

HK0712092894 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 4 Dec 94

[FBIS Translated Excerpt] Yesterday, the provincial party committee and the provincial government held a



provincial educational work conference in Wuchang. Leaders of the provincial party committee, the provincial people's congress, the provincial government, and the provincial committee of the Chinese People's Political Consultative Conference Jia Zhijie, Qian Yunlu, Ding Fengying, Li Daqiang, Wang Zhongnong, Liu Rongli, Liu Guoyu, Deng Guozheng, Liang Shufen, Han Nanpeng, Meng Qingping, Chen Shuiwen, Su Xiaoyun, Zhang Hongxiang, and Cui Jianrui attended the meeting. Vice Governor Han Nanpeng presided over the meeting; Provincial Governor Jia Zhijie gave a theme speech on behalf of the provincial party committee and the provincial government. He explicitly set forth the general objective of education development in this province up to the year 2000: Mandatory education for all people should be 8.5 years, including those receiving secondary vocational education and adult education, over 50 percent of the population should receive a junior high school education. The quality of education in all types of school should be enhanced substantially. The developmental conditions of education should rank first among the priorities of the country, and should establish a well-structured educational system full of vigor.

Jia Zhijie pointed out: In educational work, breakthroughs should be made in six aspects. First, effectively strengthen basic education, and ensure the implementation of a nine-year compulsory education. By the end of the century, the rate of schooling should reach 99 percent among children of school age to receive elementary education; and the rate of schooling should exceed 85 percent among children who should receive junior secondary education. Second, make great effort to develop vocational education and adult education, and strive to meet the need of educating people in economic development. By the year 2000, an integrated vocational education system should be established so that over 80 percent of junior high school graduates will be able to receive various types of vocational education. [passage omitted] Third, steadily develop common tertiary education. [passage omitted] Fourth, effectively conduct moral education for students, and attach importance to patriotic, collectivist, and socialist education. Fifth, make efforts to improve education in rural areas, especially in the mountainous areas and in the areas inhabited by minority nationalities. Sixth, prompt the educational institutions to conscientiously carry out the principle of giving scientific and technical services to the economy. [passage omitted]

Comrade Jia Zhijie required that party committees and governments at all levels effectively strengthen leadership over educational work, and adopt the target responsibility system in the tenures of office. Educational funds should be raised through various channels, and financial input to education should be increased. The provincial party committee and the provincial government have adopted measures for increasing financial input to education. [passage omitted]

### Hunan Uses World Bank Loans To Improve Waterways

OW0712061394 Beijing XINHUA in English 0524  
GMT 7 Dec 94

[FBIS Transcribed Text] Changsha, December 7 (XINHUA)—Central south China's Hunan Province will use World Bank loans to explore the Xiangjiang River, the largest of the four major rivers in the province.

The second-phase renovation project of the Xiangjiang River, one of China's first inland river projects using World Bank loans, will involve 90 million U.S. dollars.

Under the plan, 180 km of waterways which can handle 1,000-ton class vessels and a number of ports and power stations will be built. The central and provincial governments will grant a supportive supply of 1.1 billion yuan.

Since 1989, the province has spent hundreds of millions of yuan completing the first-phase renovation project of 250-km in channels which can handle 1,000-ton class vessels.

Upon completion of the second phase of the project, 1,000-ton class barges will be able to navigate more than 400 km of the river. At the same time, nine power stations will be built along it, with an annual generating capacity of more than 500 million kwh.

### Northeast Region

#### Heilongjiang Secretary Speaks on Education Work

SK0712044394 Harbin Heilongjiang People's Radio  
Network in Mandarin 1000 GMT 6 Dec 94

[FBIS Translated Text] The provincial educational work conference concluded on 6 December, at which Yue Qifeng, secretary of the provincial party committee, delivered a speech in which he stressed: We should implement the strategic guideline of developing education in an extensive and profound way to promote the entire province to achieve profound development in both society and the economy.

Yue Qifeng pointed out: In the coming period, major tasks in the educational work of the province as a whole are to earnestly implement the spirit of the national educational work conference and the spirit of the third plenum of the seventh provincial party committee by regarding as a guidance the theory of building socialism with Chinese characteristics; to accelerate the development of educational undertakings involving the society as a whole; to vigorously create a new situation in the educational work; and to provide the fine conditions of talented personnel and various information for opening the second battlefield of economic development and for realizing the strategic target of quadrupling the economic plan on schedule and of striving to become better-off.



He stated: To fulfill these tasks, we should be determined to conduct reform among the systems of science and technology as well as of education. Efforts should be made to relax the restrictions on scientific research units, to enliven the regulations relating to higher educational institutions and scientific and technological talented personnel, to better develop and train talented personnel, and to effectively utilize the resources of talented personnel.

Yue Qifeng stated: In conducting the educational work, the province must formulate the focal points of educational development in line with the overall ideas raised for economic development in the province as a whole and according to the demands of talented personnel that have cropped up in economic development. Efforts should be made to continuously develop elementary education, to vigorously develop vocational education, to stably develop higher education, to actively develop adult education, and to readjust and upgrade the education of training teachers. By the end of this century, we should initially form an educational scope suitable to economic and social development; foster a rational educational structure and arrangement; have the education of various nationalities and of various categories achieve harmonious development; and establish a socialist educational system with Heilongjiang characteristics, which confronts the 21st century.

In line with some difficulties encountered by the province in its educational development, Yue Qifeng stressed: We should mobilize all forces in the society as a whole to support the extensive and profound development of education, further implement various policies on promoting the scientific and technological education and on closely integrating education with the economy, and strengthen the vitality of educational development. Efforts should be made to further increase the input in education, to gradually improve the educational infrastructures, to vigorously upgrade the treatment of teachers, to enhance the construction of educational legal systems, and to create an environment favorable for accelerating educational development.

Yue Qifeng, secretary of the provincial party committee, also urged educational departments at all levels and the broad masses of educational workers across the province to further enhance their sense of responsibility and mission for the society and to deepen the reform among educational systems and accelerate the development of educational undertakings according to the overall ideas raised by the provincial party committee for economic development and by displaying the spirit of Daqing Oil Fields and of Ironman Wang Jinxi.

During the conference, Vice Governor Zhou Qilong delivered a summary speech in which he urged units from top to bottom across the province to define their tasks; to do a good job in implementing the tasks; and to

create necessary conditions for the guarantee of developing education in the fields of investing money in education, building teachers' contingent, and exercising leadership.

Attending the conference were provincial leading personnel, including Sun Weiben, Tian Fengshan, Ma Guoliang, Shan Rongfan, Yang Guanghong, Wang Xianmin, Li Qinglin, Yu Jingchang, Suo Changyou, Zhu Dianming, and Dai Moan; as well as Zhang Huifang, chairman of the provincial education commission.

### **Heilongjiang Opens Wasteland, Curbs Soil Erosion**

OW0712105194 Beijing XINHUA in English 0751  
GMT 7 Dec 94

[FBIS Transcribed Text] Harbin, December 7 (XINHUA)—Some 200,000 rural laborers in northeast China's Heilongjiang Province have turned out to open up wasteland and curb soil erosion in spite of freezing winter cold.

A survey shows that the province already has transferred the land-use rights of more than 200,000 hectares of barren mountains, hills and waste areas to individuals and enterprises through auction, contracting, leasing and share-holding cooperation in recent years.

These contractors have invested a sum of more than 300 million yuan in curbing soil erosion in the locality.

A provincial official in charge of agriculture said that the province has 300 million hectares of barren mountains and wasteland.

To further transform these areas, the government has started to sell the land-use right through auction this year while allocating special funds for land development.

Such measures have greatly aroused the interest of farmers and business people from home and abroad.

People from the Republic of Korea and Japan and from other parts of the country have come in groups to inspect the areas and cooperate with the localities in developing land resources.

### **Jilin Appoints New People's Court Vice President**

SK0612122794 Changchun JILIN RIBAO in Chinese  
27 Nov 94 p 1

[FBIS Translated Text] On 26 November, the 13th standing committee meeting of the eighth provincial people's congress adopted the decision of appointing Mu Lilin [4476 4539 2651] as vice president of the provincial higher people's court and as member of the judges' committee under the provincial higher people's court and appointing Chai Xingguo [2693 5281 0948] as judge of the provincial higher people's court. The meeting also adopted the decision of removing Liu Guifen from the posts as vice president of the provincial higher people's

court and as member of the judges' committee under the provincial higher people's court.

#### **Jilin Standing Committee Meeting Opens**

*SK0512033994 Changchun JILIN RIBAO in Chinese  
23 Nov 94 p 1*

[Report by Wang Yanli (3769 5333 7787): "Eighth Jilin Provincial People's Congress Standing Committee Holds 13th Meeting"]

[FBIS Translated Text] The 13th standing committee meeting of the eighth provincial people's congress opened at the Qinghua Guesthouse on the morning of 21 November.

Chairman He Zhukang presided over the meeting.

Attending were Vice Chairmen Gu Changchun, Chen Zhenkang, Ke Muyun, Ren Junjie, Shang Zhenling, Zeng Xiaozhen, Yuan Baixiong, and A Gula; Secretary General Li Zhengwen; and 41 members.

That morning, the participants heard a speech by Vice Chairman Chen Zhenkang to relay the guidelines of the 10th standing committee meeting of the eighth National People's Congress; a speech by Hu Chunzhou, director of the provincial industrial and commercial administration, to explain the "(draft) regulations of Jilin Province on industrial and commercial household businesses"; a speech by Yin Shoufan, vice chairman of the legal system committee of the provincial people's congress, to explain the "(draft) methods of Jilin Province for enforcing the 'PRC law on protection of minors'"; and a speech by Zhang Jianguo, director of the legal system bureau of the provincial government, to explain the "(revised draft) regulations of Jilin Province on administrative law-enforcement."

In his explanation on the "(draft) regulations of Jilin Province on industrial and commercial household businesses," Hu Chunzhou, director of the provincial industrial and commercial administration, said: Under the socialist market economy system, the individual sector of the economy has become one of the mainstays of the diversified market. Therefore, it is very necessary to define the legal status of the individual economy, facilitate its continuous and accelerated development, and standardize, according to law, the business activities of the individual economy and the law-enforcement of administrative personnel.

In his explanation on the "(draft) methods of Jilin Province for enforcing the 'PRC law on protection of minors,'" Yin Shoufan, vice chairman of the legal system committee of the provincial people's congress, said: The "PRC law on protection of minors" has played an important role in the growth of minors and their becoming useful since 1 January 1992 when the law was issued and enforced. To further enforce this law, safeguard the legal rights and interests of minors according

to law, ensure the healthy growth of minors, and effectively check the infringement on the rights of minors, it is very necessary to formulate the "methods for enforcement" in line with the stipulations of the "law on protection" and the reality of the province.

Other items on the agenda of the meeting are to discuss and approve the "regulations of Changchun city on management of the technology market," the "regulations of Changchun city on the registration of house property rights," the "regulations of Changchun city on state organs' handling of the masses' grievances," the "regulations of Jilin city on individual industrial and commercial household businesses and private enterprises," and the "regulations of Jilin city on management of real estate trading markets." The meeting will discuss the "(draft) decision of the Jilin Provincial People's Congress Standing Committee on the numbers of the deputies to the third Tonghua and Baishan City People's Congresses"; hear and discuss the reports of the provincial people's government on the activities of "transforming mechanisms, attending to management, improving skills, and raising efficiency" carried out at all the industrial enterprises of the province; on enforcement of the "regulations of Jilin Province on management of urban and rural trade fairs," and on enforcement of the "one law and one regulation" on water and soil conservation. The meeting will hear and discuss the report by the law-enforcement inspection group of the provincial people's congress standing committee on enforcement of the "law on regional national autonomy," and the reports of the finance and economic committee and the education, science, culture, and public health committee of the provincial people's congress on the handling of the motions submitted by deputies and that the presidium of the third session of the eighth provincial people's congress asked to discuss, as well as on the results of the discussion; and to decide personnel appointments and removals.

Attending the meeting as nonvoting delegates were Quan Zhezhu, vice governor of the province; Yang Qingxiang, president of the provincial higher people's court; and responsible persons of the provincial people's procuratorate.

#### **Liaoning Governor on Economic Situation**

*SK0512094194 Shenyang LIAONING RIBAO in Chinese  
25 Nov 94 p 1*

[FBIS Translated Text] The 11th standing committee meeting of the eighth provincial people's congress held the second plenary session on 24 November.

Chen Suzhi, vice chairman of the standing committee of the provincial people's congress, chaired the session. Present at the session were Quan Shuren, chairman of the standing committee of the provincial people's congress; Yu Xiling, Feng Yousong, Bi Xizhen, Gao Jizhong, Qi Zheng, and Xu Tingsheng, vice chairmen of the provincial people's congress standing committee; Hu



Jiyan, secretary general of the standing committee of the provincial people's congress; and 48 standing committee members of the provincial people's congress. Present at the session as nonvoting delegates were Wen Shizhen, acting governor of the provincial government; Guo Tingbiao and Zhang Rongming, vice governors of the provincial government; Zhang Huanwen, president of the provincial court; Zhou Enyao, chief procurator of the provincial procuratorate; and responsible persons of various special committees under the provincial people's congress, the people's congress standing committees of cities, and the provincial-level departments concerned.

The session heard Vice Governor Guo Tingbiao's report on the provincial economic operation situation in the first 10 months of the year. After that, Acting Governor Wen Shizhen made a speech on the provincial economic situation, the existing problems, and the ideas for future work. The session heard Vice Governor Zhang Rongming's family planning work report, Provincial Security Department Director Guo Dawei's report on the social security work situation, and Provincial Public Health Department Director Li Ren's report on implementing the "Liaoning regulations on preventing inferior births."

Wen Shizhen said in his speech: The provincial overall economic operation situation is basically normal. Major indicators are that the reform of the financial and tax, banking, foreign trade, investment, and grain purchasing and marketing systems is progressing smoothly and that basically the province has steadily realized the replacement of the old systems by new ones. The major economic targets as set forth in the 1994 government work report can be realized as scheduled. Under the situation that the agricultural production was hit by the serious natural disasters that had rarely been seen after the founding of the PRC, the grain output was reduced by 20 percent and the rest industries maintained a fast and sound development. The output value and profits and taxes of town and township enterprises increased by more than 70 percent. The target that the peasants' per capita net income should reach 1,300 yuan which was defined at the beginning of the year can still be attained. As of 22 November, the province stored up 1.06 billion kilograms, accounting for 40 percent of the grain purchasing task. The industrial front still witnessed an increase of 11.6 percent despite the influence by the enhancement of the macroeconomic regulation and control and the import of steel products and petroleum.

Wen Shizhen said: The province's current problems cannot be ignored. Not only the problems hidden for many years have further been exposed in the course of replacing the old systems by the new ones but also new problems take place under the new situation of accelerating the setup of the socialist market economic system. As a result, we are confronted with a grim test. It can be expected that the enhancement of the macroeconomic regulation and control by the state has produced impacts on the economic development. What is unexpected is that the import of petroleum and steel products can

produce big attacks. This indicates that we still do not deeply understand some new contradictions cropping up in the course of economic development and fully exposes that our province's products and product mix are rather poor in suiting the situation. It is extremely urgent to make a structural readjustment. In the final analysis, the problems cropping up in the current economic operation concentratively reflect the structural contradictions, and the industrial structure, the product mix, the ownership structure, the enterprise organizational structure, and the management structure which took shape under the planned economic system are not suitable for the new situation of accelerating the setup of the socialist market economic system. Prominent structural contradictions are the key factors restricting the province's economic development. Now, our province is in the new development period. Through the enhancement of the macroeconomic regulation and control by the state from the second half of 1993, the growth rate of the state-owned industrial enterprises was reduced by 4.5 percent in 1993 and only increased by 1.2 percent in the first 10 months of this year; and simultaneously, the amounts of deficits and the number of money-losing enterprises still remained high.

Wen Shizhen said: The main reason causing our province's slow economic growth rate and the decrease in economic results this year is that state-owned enterprises, particularly state-owned large and medium-sized enterprises, have serious problems in operational mechanisms and product mix. The lesson in this aspect is extremely profound. Thus, accelerating structural adjustment is very pressing at present as well as a great matter of fundamental importance to rejuvenating Liaoning's economy. At present, we should grasp industrial production, positively reduce stockpiling, promote sales, strive to pioneer markets, enhance markets, and enliven capital. We should exert efforts to clear up enterprises' debts, strive to increase revenues, achieve market supply, and stabilize goods prices. It is necessary to strictly control the excessive increase in consumption funds and to control inflation. We should make good living arrangements for staff members and workers of the disaster-hit areas and the enterprises whose production is totally or partially suspended. We should conscientiously resolve the hot-debated issues and maintain social stability. Speaking from the long-term point of view, we should focus our efforts to readjust the economic structure, fully utilize the favorable opportunities of sending foreign investment to the northern areas, combine reform with transformation and reorganization, and promote a sustained, fast, and sound development of the national economy.

First of all, we should intensify the primary industry and agriculture's role as the foundation of the national economy. Second, we should vigorously develop the tertiary industry and make the added value of the tertiary industry account for more than 40 percent of the GNP. The priority to the structural readjustment is to optimize the secondary industry. That is, we should



readjust the internal structure of the industry and change the situation of paying more attention to the heavy industry but less attention to the light industry and the situation that primary products account for a larger proportion, products' technological contents are low, and products are not competitive. There must be a clear idea for readjustment. That is, we should proceed from actual conditions, carry forward strong points and avoid weaknesses, and form pillar industries and famous-brand products that are able to guide the development of regions and trades. In readjusting the industrial structure, our province should take markets as an orientation; regard sciences and technologies as a guide; persist in the orientation of using new high-tech to transform traditional industries and developing new high-tech industries and intensive processing of natural resources and raw materials; and grasp a group of high-quality, large-scale key projects that can guide the development of regions and trades. We should fully use the favorable opportunities of opening to the outside world, collect funds from various channels, focus on using foreign capital to transform old enterprises, and realize the "8,812" goal. We should combine the structural readjustment with reform and reorganization to make enterprises enter markets. We should strengthen leadership and implement the responsibility system. The provincial and city governments should bring the readjustment of the economic structure into line with their key work agenda, straighten out their ideas, sift out a group of key projects, and concentrate three or five years to improve our province's industrial structure.

#### **Liaoning Uses Foreign Funds in Environment Protection**

OW0412144994 Beijing XINHUA in English 1403  
GMT 4 Dec 94

[FBIS Transcribed Text] Shenyang, December 4 (XINHUA)—Northeast China's industrial province of Liaoning has been using overseas funds in its urban environment protection.

According to the provincial environment protection department, the province has signed about 10 contracts of foreign-funded environment protection projects in the past 3 years.

In September this year, the World Bank provided 110 million dollars in waste water treatment and drinking water supply to 5 cities of the province include Anshan, Fushun, Dalian, Benxi and Jinzhou.

This northeast China's largest industrial city has also got 10 million dollars of projects loans from the bank for garbage treatment facilities, an automatic waste water supervision system and an information and training centre for environmental protection.

A large waste water treatment factory is under construction in the city. The total investment is estimated to be

up to 365 million yuan, with 70 million franc loaned by France, accounting for 30 percent of the total.

Debtations from Swedish Government have used in waste water projects in three enterprises of the province.

Official sources said the province is now striving for an energy loan from Japanese Government to improve environment of its heavily polluted industrial city of Benxi.

### **Northwest Region**

#### **Northwest Area Develops Electric Power**

OW0712112494 Beijing XINHUA in English 0804  
GMT 7 Dec 94

[FBIS Transcribed Text] Yinchuan, December 7 (XINHUA)—China's northwestern region has developed its electric power industry rapidly in recent years thanks to its rich water resources and huge coal deposits.

The term northwest refers to five provinces and autonomous regions include Shaanxi, Gansu, Ningxia, Xinjiang, and Qinghai. The Yellow River, China's second longest river, originates in the region, providing it with rich hydro-electric power resources.

Five hydro-power stations along the upper reaches of the river together have a capacity of 3.24 million kw and last year generated 15.75 billion kwh of electricity, accounting for more than half of the region's whole.

The region invested about 3.7 billion yuan in power station construction last year and continued to add to it this year.

#### **Gansu Province Establishes Transport Network**

OW0612064894 Beijing XINHUA in English 0620  
GMT 6 Dec 94

[FBIS Transcribed Text] Lanzhou, December 6 (XINHUA)—Northwest China's Gansu Province has established a transportation network consisting of railways, highways and air routes after four decades of development.

The six main railways in the province, together with 10 feeder lines and 317 special-use rails totalling 4,200 kilometers in length, carry 8.8 million passengers and 25.7 million tons of goods and materials in and out of Gansu yearly.

During the eighth five-year-plan period (1991-95), the central government has decided to invest roughly 10 billion yuan (1.16 billion U.S. dollars) to build or upgrade railways to a total length of 11,000 km in Gansu.

So far, great progress has been made in the construction of a dual-track on the existing Lanzhou-Urumqi railway line, and an upgrading project on the Baoji-Zhongwei railway line. Progress is being made as well on the

electrification project of the Lanzhou-Shizuishan section and dual-track project of the Yingshuiqiao-Gantang section, both on the Baotou-Lanzhou railway line.

A total of 34,900 km of highways, including 72 state roads and two expressways, connect Lanzhou, the provincial capital, with other cities and towns of the province.

According to local officials, the provincial government plans to invest 900 million yuan (105 million U.S. dollars) to build more high-grade roads in the upcoming years, while the upgrading of several state roads continues.

The province now has 28 domestic air routes, with Lanzhou as the center, supported by the airports in Dunhuang and Jiayuguan.

Airlines from Sichuan Province, from the Xinjiang Uygur Autonomous Region, and the cities of Shanghai and Xiamen are cooperating with Lanzhou in starting new air routes.

The improvement of communication conditions has given a push to economic development in the province, which has turned into one of the country's leading bases of energy and raw materials, said the officials.

A group of industrial cities with striking features has begun to emerge along railways and highways, 70 percent of which are concentrated along the Lianyungang-Lanzhou, Lanzhou-Urumqi, and Baotou-Lanzhou railway lines, producing about 80 percent of the province's total industrial output, the officials added.

#### Wang Lequan Inspects Southern Xinjiang

OW0612135694 Urumqi XINJIANG RIBAO in Chinese  
23 Nov 94 pp 1, 3

[Article by reporter Shi Jian (4258 1017): "Move Toward a Relatively Comfortable Life in an Earnest Manner—On-the-Spot Report on Wang Lequan's Investigations and Studies in Villages in Southern Xinjiang"]

[FBIS Translated Text] Traveling without pomp in early winter, Wang Lequan, acting secretary of the autonomous regional party committee, went down to townships, villages, and peasant households in Yopurga County, Markit County, Bachu County, and the 44th Regiment of the 3rd Agricultural Division in Kashi Prefecture, as well as Aksu City, Wensu County, Xinhe County, Xayar County, and Kuqa County in Aksu Prefecture to conduct investigations and studies, focusing on rural economy and peasants' real living standards, typical experiences of advanced units, and the building of grassroots party organizations...

#### "Do Everything in an Earnest Manner"

"You should do everything in an earnest manner!" Comrade Wang Lequan set this requirement on local

cadres wherever he went. He often said this should become a basic norm for leaders at various levels to do their work well.

When touching on the issue of bringing a relatively comfortable life to Xinjiang's rural areas, particularly in southern Xinjiang, some people placed hopes on industrial development. But Comrade Wang Lequan had a different view, and he was firmer in his beliefs, especially after an extensive investigation of Kashi's rural areas. He held that, to bring a relatively comfortable life to Kashi's rural areas, one must seek truth from facts, proceed from local realities, and not aim too high. During investigations and studies he said: Xinjiang is different from coastal areas. Judged by the overall situation in Xinjiang, there will be no miracle in township and village industries in the near future and the tertiary industry will not become a new force suddenly coming to the fore, because its development depends on the market. Agriculture should still be the sector which will develop at the fastest rate in the near future. We should proceed from realities and achieve the goal of a relatively comfortable life by relying on the development of planting and breeding industries and a diversified economy and by developing rural enterprises at a corresponding pace.

Jirandun Village in Yangtake Township, Markit County has a per unit area grain yield of 435 kg and a per unit area cotton yield of 136.5 kg. Wang Lequan said: It is necessary to strive for higher per unit area yields from the available cultivated land. When he learned that per capita income in this village was 3,000 yuan or more, he said this was what he meant by moving toward a relatively comfortable life in an earnest manner, because the village still achieved a comfortable life ahead of others by proceeding from realities and placing equal emphasis on grain and cotton, without running big industries. The village's experience should be summarized.

During the investigation, Comrade Wang Lequan heard the cry of water shortages along the road and many prefectures and counties demanded the launch of water conservancy projects. Wang Lequan told them in earnest words: Water conservancy projects are indeed important, but a bigger project requires six or seven years of construction and there is the problem of funds. To be more practical, it will be faster to develop water-saving agriculture—projects that bring results in the same year they are launched. Wang Lequan told some local leaders: "Many localities have not paid enough attention to water conservation. A wise leader should attach importance to this matter."

How is the situation of grain production in southern Xinjiang? Are peasant households in need of grain or not? These were Comrade Wang Lequan's most concerning problems before he began the tour. His first stop in southern Xinjiang was the village of Jiu in Aiximan Township, Yopurga County. The first question he asked village party Secretary Mijiti was "Do people have



enough to eat?" When Wang Lequan was told 80 percent of households had enough food, he immediately asked the second question: "What about the 20 percent of households without sufficient food?" Mijiti replied: "They bought food from Bazashang." Wang Lequan was not satisfied and continued: "Do they have money for buying the food?" And he smiled with relief when informed that these people earned money by their handiwork. Thereafter, whenever Wang Lequan arrived in a place, he inquired whether the people had enough food and personally checked whether their grain bags were full.

The village of Hailiwafu in Tuohula Township, Wensu County had sold 530,000 kg of grain to the state; Wang Lequan repeatedly praised the village and said it should be heavily awarded. He told the village chief: "You have made important contributions to the state; the party and state should thank you." At the grain procurement station of Wensu County, peasants were waiting in a long queue to sell their rice. Wang Lequan approached the Uygur peasants and began warm conversations with them. When he was told that, although the price of rice on the market was higher than the one offered by the state, peasants were still vying with each other in selling their rice to the state, Wang Lequan could not but gasp with admiration: "Our people have awakened!"

Through his investigation, Wang Lequan became more at ease with the grain problem, but he still stressed the importance of the grain problem on many occasions and demanded that leaders at various levels never lower their guard. What he used to say was: "We must not play any tricks on the grain matter, people may starve if anything goes wrong." Comrade Wang Lequan demanded that major grain production areas in southern Xinjiang not only ensure the grain needed by themselves, but also fulfill the mission of selling an agreed quantity of grain to the state. Wang Lequan also checked the state reserve granary and the storeroom of the agricultural materials company in Kuqa County. When he learned that, because of prices, the shortage of supplies, a single circulation channel, and other factors, the agricultural materials company had imported fewer plastic films and chemical fertilizers than in previous years, Wang Lequan immediately demanded that the manager of the agricultural materials company take firm measures to import such materials for grain and cotton production next year. Wang Lequan said: "The first mission of supply and marketing cooperatives is service. It is imminent that they ensure sources of materials and supply them to peasants in time. They should mind profits, but they should all the more ensure an increase in grain and cotton output next year. Do not try to save a little only to lose a lot and miss the farming season."

#### "The Real Experiences Come from the Grass Roots"

How is the situation of grass-roots party organizations in rural areas? Are there any good experiences for them? These were issues Comrade Wang Lequan wanted to

learn more about through his investigation. Having toured southern Xinjiang, Comrade Wang Lequan felt he had reaped a harvest and said with emotion: "The real experiences come from the grass roots. It is no use to just think about some problems; you will understand them once you go to the grass roots."

Having heard that the annual income of Mijiti, party branch secretary of the village of Jiu in Aiximan Township, Yopurga County, was 8,000 yuan, Comrade Wang Lequan repeatedly expressed his admiration. But Mijiti said modestly: "Mine is only a medium income in the village." Wang Lequan said: "We demanded that secretaries of party branches be capable of bringing fortune to themselves, so that they can lead the people to prosperity." Stepping out of the conference room and seeing some veteran party members waiting for him, Wang Lequan quickly approached them, shaking hands with them and asking them whether they have any difficulties in life. Wang Lequan cordially told them: You are all veteran party members who have worked for the people for decades. The party and people will not forget you. Xinjiang is currently studying a system of pension insurance funds jointly contributed by the state and townships. With this, your lives will be taken care of. A veteran party member with gray hair and a long beard was choked up after hearing Wang Lequan's warm remarks. While conducting investigations in Xayar County and Kuqa County later, Comrade Wang Lequan praised the counties' experiences of earmarking a certain amount of funds to support veteran party members, cadres, and models each year.

When conducting investigations and study in the village of Jirandun in Yangtake Township, Markit County, Comrade Wang Lequan was delighted to hear that the village had a firm and powerful party branch, which had efficiently administered religious activities. He said: The administration of religious activities is a difficult problem in some localities. But it poses no problem to you. How efficient you have been in bringing this under control by organizing religious personnel to take a study course twice a month in the township and once a week in the village! It seems that the administration of grass-roots religious activities lies at the township and village levels. This is useful experience. Under the leadership of the party branch, the village of Jirandun has developed rich economic strength with a collective fund of 200,000 yuan or more. The village has built a brand new building for the village party branch office and village party committee. After touring the village's cultural room and conference room, Wang Lequan said delightfully: Party organizations at various levels will not really win love, esteem, and support from the people until they have developed rural collective economies to a greater extent and are able to seek more welfare for the people.

Comrade Wang Lequan was deeply impressed by the rapid development of the rural economy in Yangtake Township in Markit County and Selibuya Town in Bachu County, but he could not help but frown when



discovering that peasants in the two localities were living in very old and shabby houses. He turned to Semaiti Ismail, party secretary of Selibuya Town: "You are an adviser to the minister of construction. Could you properly plan and construct peasants' housing on a trial basis in some high-income villages as a beginning for such efforts in the entire Xinjiang?" Semaiti Ismail replied: "Right, right. Please rest assured that I will handle this matter well."

#### **"Keep the People in Mind"**

Seventy percent of Xinjiang's poor counties are in southern Xinjiang. Although people in southern Xinjiang have significantly improved their living standards in recent years, many counties and townships are still troubled by water, education, food and clothing, and other problems. During his investigations and studies in rural areas of southern Xinjiang, Comrade Wang Lequan earnestly did some work for the people along the road.

Because of its high altitude, Aiximan Township in Yopurga County has difficulties drawing water, and its agricultural development is limited. The dispute caused by a water diversion project has remained unsettled for a long time because the project will pass the farmland of a neighboring county. When Comrade Wang Lequan heard about this, he immediately directed local leading comrades to solve this problem through coordination as soon as possible. When people from various villages who were attending some training courses in Aiximan Township heard this news they thanked the party and government for doing this thing for them with the loudest applause. Later, when the township leader addressed the problem of high well-drilling fees, which peasants could hardly afford, Wang Lequan told the county magistrate on the spot: "County leadership should look into this matter. I am afraid it is not suitable to collect water resource fees for drilling some wells in villages. Coastal areas do not collect such charges, much less poor localities. People are certainly unwilling to pay it if you charge them." Wang Lequan's spirit of doing a solid job for the people and energetic and speedy work style have deeply impressed local cadres and people.

Comrade Wang Lequan was very concerned about educational problems. Whenever he went to a village he asked village cadres in detail about the number of children going to school and whether there were any going to polytechnic school or university. When he was informed that many children were deterred from going to middle school and high school because many poor peasants could not afford their children's tuition in university, he frowned and raised his voice: "We must come up with some solutions to let peasants' children go to school!" At a briefing in Kashi Prefecture, Wang Lequan said excitedly: "It is not easy for a peasant's child to pass the exams for entering university, and once he does, he still has to pay 3,000 yuan a year for the school. How can a peasant afford his children's schooling if this matter is left unattended. Since it is hopeless going

to the university, why should they give up going to high school and even middle school? We must be resolute to solve this problem and find some money, despite all difficulties, to send poor peasants' children to school."

Peasant Ailasi Amati of Tuohula Township in Wensu County was a national model worker. Unfortunately, he died of illness a few years ago. Wang Lequan made a special trip to call at his house. Mulajihan, Ailasi Amati's widow who survived him, was very touched when she saw a leader from the autonomous regional people's government calling on her in person. She was in tears. Wang Lequan inquired with concern about the living conditions of Mulajihan and her family. Mulajihan said she has two sons and leads a happy life with the help of fellow villagers. Wang Lequan asked Mulajihan if she needed any further help. Mulajihan replied: "My husband who died recently was a party member and so am I. I have nothing more to ask. I do not wish to trouble the party any further."

Wang Lequan traveled to Kalayuzi Village in Wuqia Township of Kuqa County to call on Baoerhan Ahemaiti, a centenarian, at his house. It just so happened that the old man was not in. Upon entering his house, Wang Lequan offered cube sugar and tea with both his hands as a present to his daughter, inquired about details of the old man's diet and daily life, and asked if the old man had encountered any difficulties in his livelihood. After Wang Lequan left the old man's house, he met Baoerhan Ahemaiti beside the village's small bridge. Firmly holding the old man's hands in both his hands, Wang Lequan wished him good health and a long life. The old man said with emotion: "Being 108 years old, I have lived to see the rise and fall of several dynasties. After making a comparison, I think the Communist Party is better than the rest of them. I hope the Communist Party will assume leadership forever." Wang Lequan asked the old man about the secret of his longevity. The old man said humorously: "I never tell a lie." His reply evoked a burst of laughter.

#### **Xinjiang Vice Chairman Attends Public Order Meeting**

OW0412130294 Urumqi Xinjiang Television Network  
in Mandarin 1330 GMT 1 Dec 94

[Video report from the "Xinjiang News" program]

[FBIS Translated Text] An experience-exchange meeting of Xinjiang's departments (bureaus) on the comprehensive control of public order, which aimed at expanding the scope of security work of organizations and enterprises and institutions, was held yesterday. Li Fengzi, member of the autonomous regional party committee standing committee and secretary of the Political and Legal Commission, Vice Chairman Wang Yousan, and other persons in charge of relevant departments attended the meeting.

In recent years, various departments and bureaus in Xinjiang have done a great deal in exercising comprehensive control over public order and have achieved results.

At yesterday's experience-exchange meeting, five departments and bureaus, including the Urumqi Railway Bureau and the region's Radio and Television Department, passed on their experience in implementing the comprehensive management measures.

In his speech at the closing of the experience-exchange meeting, Li Fengzi said: While summing up our achievements, we should remain sober-minded and recognize that some organizations, groups, and enterprises pay no attention to the comprehensive control of public order. As a result, many cases have occurred, causing great losses to the state and collectives. Li Fengzi emphasized: Party and government leaders of various departments and units should learn about the unique importance and urgency of the comprehensive control of public order in a new situation from the high plane of implementing the theory of socialism with Chinese characteristics and the party's basic line, further enhance the sense of political responsibility of maintaining security in the region, and adopt effective measures to resolve public security issues within their jurisdiction.

### **Xinjiang: Carrying Forward CPC Traditions**

#### **Commentary on Efforts**

*OW0212131494 Urumqi Xinjiang Television Network  
in Mandarin 1330 GMT 29 Nov 94*

[Station commentary: "Carry Forward the Party's Glorious Traditions and Take Vigorous Measures to Improve Its Style of Work"; from the "Xinjiang News" program]

[FBIS Translated Text] Integrating theory with practice, forming close ties with the masses and conducting criticism and self-criticism are the three major fine work styles of our party. While we are studying and implementing the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee and the Seventh Enlarged Plenary Session of the Fourth Autonomous Regional CPC Committee, our party organizations at all levels must carry forward the party's glorious traditions, seriously improve their work style, and ensure that their leading bodies are capable of leading the people of all nationalities in Xinjiang in shouldering the heavy tasks of going all out to promote reform, opening up, and modernization. The CPC, attaching the greatest importance to integrating theory with practice and knowing how to integrate the universal Marxist theory with China's reality, has solved many difficult problems during revolution and construction.

Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics is a brilliant example. The

theory on building socialism with Chinese characteristics, indicating a new leap made by our party in understanding socialism, is a contemporary Marxism. For this reason, the party organizations at all levels should organize cadres at various levels to study and master it seriously, and work under its guidance to solve new work-related problems. The purpose of study is solely application. If our leading cadres at all levels persistently display the fine work style of integrating theory with practice, our cause will thrive. Serving the people wholeheartedly is the fundamental purpose of our party and the objective of all its activities, as well as the foundation for its invincibility.

Over the last seven decades and more, several generations of Chinese communists, one stepping into the breach as another fell, have struggled ceaselessly for the happiness of the people of all nationalities, established flesh-and-blood ties with the people, and won the most widespread support from the people. During the current modernization drive, we should take a further step to carry forward these glorious traditions, keep firmly in mind the purpose of our party, share weal and woe with the people, link our hearts with theirs, always listen to their demands, show concern for their well-being, and work from their angle to overcome difficulties for them. Our party is a party working in the interest of the people. We should be unable to eat, sit, or sleep at ease if the people are suffering. As everyone knows, when Comrade Li Ruihuan saw that the people in southern Xinjiang were still drinking puddle water, he, out of a love for the people in the frontier region, immediately raised funds to solve the problem and set a brilliant example for our leading cadres at all levels to follow.

Criticism and self-criticism are our party's effective tools to wage an active ideological struggle and to constantly remove blemishes from our body. It is these effective tools that the CPC has relied on to continue overcoming bad influences and to maintain its distinctive character as the vanguard of the Chinese working class. During course of reform, opening up, and establishing the socialist market economy at present, some negative factors and corrupt phenomena are adversely affecting our party. So, our party organizations and leading cadres at all levels are facing a rigorous test, and we must boldly take up arms—criticism and self-criticism—to conscientiously combat the negative and corrupt phenomena and resolutely struggle against any party discipline violators and all unhealthy tendencies. Only in this way can we maintain our party's brilliant image among the people forever.

#### **Implementing Democratic Centralism**

*OW0312040894 Urumqi Xinjiang Television Network  
in Mandarin 1330 GMT 30 Nov 94*

[Commentary: "Implement Democratic Centralism and Enhance the Concept of Overall Interests"; from the "Xinjiang News" program]

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[FBIS Translated Text] Democratic centralism is our party's fundamental organizational and leadership system. After seizing political power throughout the country, the party has applied this system in building political power by enforcing the democratic centralism principle in state organs. This has played an important role in maintaining stability in the country and promoting the development of the national economy.

Democracy and centralism are the two sides of democratic centralism—a unified entity that is dependent on, supplements, and restricts each side. In implementing democratic centralism, we must fully develop democracy in the party by expanding its internal democratic channels to enable more party members to participate in and have a better understanding of party affairs and to fully enhance party members' enthusiasm. In implementing democratic centralism, it is necessary to strengthen centralism on the basis of democracy, and individual party members must consciously be subordinated to party organizations, the minority must be subordinated to the majority, lower-level organizations to higher-level organizations, and party organizations at all levels and all party members to the party national congress and the Central Committee. The most important among these subordinations is that the party must be subordinated to the Central Committee and that the party must maintain identical views with the Central Committee to ensure implementation of the party's line, principles, and policies.

At present, a lack of democracy and centralism in implementing democratic centralism exists to various degrees in party organizations at all levels, local state organs, and people's organizations in the autonomous region, and the lack of centralism is particularly noticeable. Over the past years, we have thought of doing many tasks: we have planned to do them, but the point is that we have not been able to carry them out. The reason is the lack of centralism. Failure to enforce all orders and prohibitions is an important factor. Now, there is a misconception. Some people think that centralization and unity and macroeconomic regulation and control by the state can be discarded at a time when emancipation of the mind and market economy are being stressed. History has proved that to win its cause, the party must have a strong central collective leadership formed in the course of practice and that there must be a core in that collective leadership. Without such a leading collective and core, the party's cause could not have been victorious.

As we are building a socialist market economic structure and undertaking large-scale construction for modernization in the present complex international situation and the new domestic situation brought about by reform and opening up to the outside world, we should all the more safeguard the authority of the Central Committee and obey its unified leadership. As far as the socialist market economy's development is concerned, state macroeconomic regulation and control is not aimed at abolishing

and weakening, but at consolidating and strengthening it. The party must consciously safeguard the central leading collective and its core. This is an important matter in implementing democratic centralism.

In implementing democratic centralism, it is also necessary to correctly handle the relationship between partial and overall interests. Every leading comrade holding a leadership position must strengthen his concept of overall interests and must be subordinated to and support the overall interests when a contradiction occurs between partial and overall interests so as to ensure that all party Central Committee and State Council orders and policies are implemented to the letter and to guarantee the full implementation of regional party committee and government policies.

### Strengthening Rural Party Organs

OW0512012794 Urumqi Xinjiang Television Network  
in Mandarin 1330 GMT 3 Dec 94

[Announcer-read commentary: "Enhance Grassroots Combat Effectiveness and Lead the Masses in Achieving a Relatively Comfortable Standard of Living;" from the "Xinjiang News" program]

[FBIS Translated Text] Grassroots party organizations are the foundation of the party's work and combat effectiveness as a whole. Building rural party organizations into a core force in leading the peasants and other people in achieving a relatively comfortable standard of living and in bringing about common prosperity and progress—this is a major task entrusted to us by the Central Committee. In the 16 years since China started reform and opening to the outside world, a number of good party branches that have led the people in improving living standards and increasing the economic strength of collectives have emerged in Xinjiang. There are, however, still some salient deficiencies insofar as the building of the party's grassroots organizations is concerned. The main manifestations are: some grassroots organizations are weak and lax in discipline, and some are even in a state of paralysis. Some grassroots cadres are incorrect in their styles of work and divorced from the masses of the people; some party members fail to play an exemplary role. The problems merit the full attention of party committees at all levels.

All under heaven is tranquil when the countryside is peaceful. A lot remains to be done to strengthen rural grassroots organizations. At present, we must do a good job in the following five areas: First, We must build a united, strong leading body that enjoys popular support, and appoint a capable secretary to head it. Second, we must build a good contingent of combat effective cadres; party members must play the exemplary vanguard role; cadres, the exemplary leading role; and Communist Youth League members, the role of assistants and reserve force. Third, we should choose a good plan suited to local realities to accelerate local economic development, and help the peasants quickly shake off poverty



and improve living standards. Fourth, we should establish a good management mechanism, invigorate the economy, and guide the peasants onto the path of common prosperity. Fifth, we must establish a sound and efficient management system that embodies the spirit of democratic spirit and see to it that work in all areas at the village level will be institutionalized and standardized step by step. If we do a good job in the five areas, the party's line, principles, and policies will be quickly implemented in rural areas and the party's prestige among the people will rise.

The key to strengthening grassroots party organizations, and rural party organizations in particular, in Xinjiang lies in county party committees. The key to county party committees successfully strengthening grassroots party organizations—party organizations in rural areas in particular—lies in appointing capable secretaries for party branches. Secretaries of the county party committee must first take charge of building grassroots party organizations in their respective counties. They must redouble their efforts while [words indistinct]. Party committees at higher levels should also make progress in building grassroots rural party organizations, an important component in the appraisal of the performance of the county party committee and its secretary.

The party branch plays a crucial role in rural progress. This winter and next spring, localities must pay close attention to building and consolidating rural grassroots party organizations in the light of the guidelines of the fourth plenary session. So long as we pay close attention to building grassroots rural party organizations and unfold our work in a creative manner, the combat

effectiveness of grassroots organizations will increase continually, and a new socialist countryside of happiness, contentment, stability, and prosperity we have been longing to see will soon emerge around Mt. Tianshan.

#### **Technical Associations Promote Xinjiang Economy**

*OW0712065494 Beijing XINHUA in English 0649 GMT 7 Dec 94*

[FBIS Transcribed Text] Urumqi, December 7 (XINHUA)—Technical associations set up by farmers in northwest China's Xinjiang Uygur Autonomous Region have done a lot in spreading new technologies in rural and pastoral areas and improving social services.

The first such organization was set up 1987. Today, technical associations number 960, with 20,000 farmers and herdsmen as members.

Local officials said that these associations at various levels have also provided herdsmen with latest information concerning supply and demand in the market, in addition to teaching local farmers the way for applying agrotechniques to farming.

For instance, six major technological associations in the Hui Autonomous Prefecture of Changji created an extra 5.64 million yuan in output value and 2.36 million yuan in net profits last year.

Technical associations emerged after the rural areas implemented the household responsibility system in line with the needs of local farmers and herdsmen in upgrading their operations.

### Editorial Criticizes U.S.-Taiwan Contacts

HK0712075394 Hong Kong WEN WEI PO in Chinese  
7 Dec 94 p A2

[Editorial: "Ministerial Contacts Between the United States and Taiwan Will Have Serious Consequences"]

[FBIS Translated Text] The Clinton Administration sent Pena, its secretary of transportation, to visit Taiwan and, for the first time, the secretary entered Taiwan's "Office of the President" and "Foreign Ministry" building to hold an official meeting with Li Teng-hui and Chien Fu. Pena even openly declared: "The United States completed its Taiwan policy report in September this year, and the Clinton Administration has made a revision of its Taiwan policy." "This is helpful for my Taiwan visit."

The Clinton Administration has brazenly violated the three diplomatic documents, including the Sino-U.S. Communiqué on the Establishment of Diplomatic Relations and has broken the promise of recognizing only one China and limiting contacts with Taiwan to nongovernmental relations. It has had ministerial-level contacts with Taiwan. This is a serious event which will inevitably damage Sino-U.S. relations.

This action by the United States is by no means accidental. On the GATT issue, the United States has repeatedly resorted to blackmailing China and has put pressure on it by linking GATT with political issues. By demanding a high price and imposing pressure, the United States was simply intending to occupy China's monetary, insurance, communication, telecommunication, and service markets so that it could obtain the greatest possible benefit. China did not yield when faced with the U.S. blackmail. Under such circumstances, the United States began to play the "Taiwan card" again and began to develop ministerial-level contacts with Taiwan, trying to show its uncompromising stand and force China to swallow the bitter pill. This is certainly a wrong decision, which can never help the situation.

While sending Pena to visit Taiwan, the United States also exerted pressure onto Taiwan, trying to force open its market and make it pay for the "ministerial-level contact." Clinton wrote a letter to Weinberger, president of the Taiwan-U.S. Industrial and Commercial Association, on the special occasion of Pena's attendance at a meeting of this association. The contents of the letter were made public, and it demanded that the trade relations between the United States and Taiwan be upgraded. Interpreting the intention of Clinton's letter, Pena said: "Taiwan should continue to open its market and strive for trade liberalization. If three exchanges are realized between both sides of the strait, U.S. firms should be allowed to participate." "U.S. businessmen wish to participate in Taiwan's commercial development." "Although the favorable balance of Taiwan in trade with the United States has reduced, the latter remains the biggest buyer of Taiwanese products." "The

United States wishes to increase its exports to Taiwan." The United States wants to occupy Taiwan's high science and high technology markets and get contracts for large-scale capital construction projects. While putting pressure on Taiwan, it also said it "hopes Taiwan will pursue its effort to join the United Nations" as a bait to instigate and induce Taiwan to practice "two Chinas" and "one China, one Taiwan."

This U.S. tactic of sowing discord between both sides of the strait to seek benefits is nothing new. In the past, the United States was doing the same on the Korean Peninsula, in Vietnam, and in the Middle East. Today, it is playing the same trick on the Balkan Peninsula. This old trick—characterized by making the snipe and the clam grapple in order to benefit the fisherman, the United States—can be easily seen through. All Chinese, whatever differences they may have internally, should not let themselves be set against one another by the United States. Of the 36 stratagems, the best is to unite. The purpose of the United States in playing the tricks of "two Chinas," and "one China, one Taiwan" is to control both sides of the strait so that it can make profits without investment and can obtain Chinese resources through trickery.

On the issues concerning sovereignty, principle, and fundamental state interests, Beijing will never barter away principles. Some people think that, in order to return to the GATT, China would pay any cost and accept the harsh terms put forth by the United States and would shut its eyes to the danger of being controlled by others in both economic and political affairs. This is a fantastic idea. Some people think that, by playing the card of "two Chinas" and creating troubles in the Taiwan Strait, people on both sides would obediently "open the markets." This is, indeed, an underestimation of the political wisdom of the Chinese people.

The three communiqués between China and the United States form the basis for developing relations and cooperation. Since the United States has promised to observe these communiqués, it should take concrete action. If, instead, it goes its own way and neglects the three communiqués, Sino-U.S. relations will certainly be harmed and, in the end, it will reap no commercial profit at all. No country can succeed in practicing "two Chinas" and interfering in China's internal affairs. This has been amply demonstrated by the winding course of the history of Sino-U.S. relations.

### PRC Reaction to Recent Taiwan Elections

#### Impact of Elections Viewed

HK0612150494 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 0924 GMT 5 Dec 94

["Special dispatch" by reporter Li Hsiao-chun (2621 1321 6150): "Taiwan Elections' Impact on Future Political Situation on Island and Cross-Strait Relations"]

[FBIS Translated Text] Hong Kong, 5 Dec (ZHONG-GUO TONGXUN SHE)—Taiwan's unprecedented provincial gubernatorial and mayoral elections have already ended. The ruling Kuomintang [KMT] captured two seats, namely the governorship of Taiwan Province and the mayorship of Kaohsiung City, while the opposition Democratic Progressive Party [DPP], which has enjoyed growing political influence in recent years, snatched away the much-coveted mayorship of Taipei City. The newly formed New Party suffered defeat, as it failed to secure a share of the reshaped power structure affecting Taiwan's future political development. The election results at once reflect a strong desire among the island's electorate for stability and change and have had an impact on the role of party politics in the island's future political development and on cross-strait political and economic relations as well.

#### Longing for Stability and Looking Forward to Change

In recent years, Taiwan has lifted two bans, one on the publication of newspapers and the other on political parties, and has carried out democratic reform, with the result that "Taiwan independence" and "violence" have now developed into two big worries for the Taiwan public. In the recent elections, the ruling KMT seized two out of three seats, especially the governorship of Taiwan Province. The three seats were one provincial governorship and two city mayorships. This has dealt a telling blow to the DPP, a party bent on instituting "drastic changes." Public opinion believes that the results basically show a strong desire among the Taiwan public for stability and for the continued operation of such a "100-year-old shop" as the KMT. Compared with the DPP's advocacy of "Taiwan independence" and "violence," which is likely to trigger a cross-strait crisis and social disorder on the island, the KMT's "corruption and incompetence" can still be tolerated by the majority of Taiwan people. The KMT's defeat in the Taipei mayoral election shows that the public are dissatisfied with the government's performance, long for new things, and look forward to change.

#### Island's New Political Map Drawn by Three Political Parties

In the recent elections, despite the KMT's overwhelming victory, the DPP seized the mayorship of Taipei City, while New Party seized several seats in the provincial assembly and city councils. This shows that the era when the KMT had absolute control over the island's political resources has passed.

Now, the DPP holds power in Taipei City, Taipei County, Yilan County, and Hsinchu County. For most parts of northern Taiwan, the "weather has changed." In the Taipei mayoral election, the New Party candidate, Jaw Shau-kang, defeated KMT candidate, Huang Ta-chou, by a one-third majority. Besides, the New Party also seized 15 provincial assembly and city council seats. The election results have once again damaged KMT rule. Public opinion predicts that the island's new political

map drawn by the three parties is bound to give rise to an unprecedentedly fierce contest for central power on the island in 1995 and 1996. Should no party control more than 50 percent of the seats in the island's "National Assembly," a "coalition cabinet" could emerge, resulting in more power sharing among the three parties in future.

#### Impact on Cross-Strait Political and Economic Relations

In recent years, the Taiwan KMT's mainland policies have been strongly criticized by the opposition DPP. On the eve of the recent elections, Chiao Jen-ho, vice chairman of the Straits Exchange Foundation, pointed out: The Taiwan election results are unlikely to have any impact on routine cross-strait talks. However, they will definitely affect cross-strait relations. Chiao Jen-ho pointed out: If an antimainland party gets the upper hand on the island, no one knows whether cross-strait exchanges could go on or not, as the macroeconomic environment of cross-strait relations would have changed. That would be a worrying situation indeed.

Nevertheless, the island's industrial and commercial circles maintain that although the DPP captured the mayorship of Taipei City in the recent elections, this in no way suggests that the citizens have made a choice between "independence" and "reunification." The citizens are just eager to make use of the DPP's public participation and policies to restrain the KMT. Therefore, the election results will certainly not affect existing cross-strait economic and trade relations. Some Taiwan entrepreneurs with investments on the mainland held that the KMT capture of the governorship of Taiwan Province shows that "Taiwan independence" has found only limited support on the island. This fact is of positive significance to Taiwan's mainland policies in the years to come.

#### Bribery, KMT Losses Stressed

OW0712025094 Beijing XINHUA Domestic Service in Chinese 0836 GMT 4 Dec 94

[By reporters Fan Liqing, 5400 7787 7230, and Wang Zhi 3769, 3589]

[FBIS Translated Text] Beijing, 4 Dec (XINHUA)—The election for Taiwan's "governor" and the "mayors" of Taipei [Taipei] and Gaoxiong [Kaohsiung], held for the first time in Taiwan; and the election for "provincial and city council members" for a new term, ended on 3 December. The Kuomintang's [KMT] candidates were elected "governor of Taiwan" and "mayor of Gaoxiong" while the candidate fielded by the Democratic Progressive Party [DPP] was elected "mayor of Taipei." In the past month, Taiwan newspapers have carried numerous reports on violent incidents, ugly stories about election bribery, and the exchange of personal attacks among candidates in connection with these elections.

The newly elected "governor of Taiwan" is Song Chuyu [Sung Chu-yu], a KMT member who is currently governor of Taiwan. The newly elected "mayor of Taipei" is



Chen Shuibian [Chen Shui-pien], a "Legislator" who is a DPP member. The newly elected "mayor of Gaoxiong" is Wu Dunyi [Wu Tun-i], a KMT member who is the current mayor of the city. As for the "provincial and city council member" election, the KMT is in the minority for the first time in "Taibei city council member" seats.

In this election contest in Taiwan, the campaign turned white-hot as various political forces paid great attention and mobilized all their manpower to participate in it. There was chaos everywhere during the election campaigns as candidates attacked each other's misdeeds and made a big issue of the questions of "reunification, independence" and being born in the "provincial, native place." During the election, the candidates had no scruples in using rumors and slander to attack one another, and such phrases as "corrupt officials," "opportunists," and "heart as bad as a scorpion" filled campaign posters. Violence

and election bribery, which has existed in previous elections in Taiwan, became the common topic of conversation during the recent elections. Rumor-mongering "sinister messages" and threatening letters with bullets attached became "weapons" during the campaigns. The campaign headquarters of some candidates were attacked, and almost every "meeting on announcing political views" became an arena for fighting among the personnel of different factions. According to a report, by the end of November, the number of cases involving election bribery and violence in the hands of Taiwan's prosecutors' offices had reached 368. During the election campaigns, the money used by the various political parties may easily have exceeded hundreds of millions of New Taiwan dollars; there were continuous reports of election bribery, and some candidates were exposed for "spending 5,000 New Taiwan dollars to buy a ticket."

**Li Teng-hui Addresses Joint Economic Council**

OW0712061094 Taipei China Broadcasting  
Corporation News Network in Mandarin 2300 GMT 5  
Dec 94

[Report by Hsiao Huai-li; From the "Hookup" program]

[FBIS Translated Text] U.S. Secretary of Transportation Pena, dispatched by President Clinton, is attending the joint meeting of the ROC [Republic of China]-USA and USA-ROC Economic Councils. He is the first official representative of the United States to visit the ROC in 15 years. For this reason, both the ROC and United States attach great importance to the 18th annual joint meeting of the ROC-USA and USA-ROC Economic Councils, which opened this morning. President Li attended and addressed the opening ceremony. The president first attached great significance to the main topic to be discussed by the two sides—the opportunity and challenge of the ROC becoming the operational center for American businessmen in Asia. He expressed his concern for the matter, and his full confidence in future opportunities for ROC-U.S. cooperation. The president said that Taiwan has created an economic miracle which we rely on to promote overall national development. In his speech, the president also expressed his views on the results of the ROC's first gubernatorial and mayoral elections. He said that over the last six years we have abandoned China's several-thousand-year-old mode of authoritative rule, adhered to the principle of democracy, and fully protected the dignity and values of the individual, in order to modernize the ROC in an all-around way. The president said he is proud in pointing out today that the successful accomplishment of such large-scale political reform in such a short time with such small social costs is not only unprecedented in the history of China, but also worth being recorded at length in the political history of the world. And, with the stable environment in Taiwan, the plan for turning it into an operational center in the Asia-Pacific region will surely be realized successfully.

On the prospects of the international economy, the president said that as military clashes are no longer tolerated and political confrontation has no reason to exist, how to carry out economic cooperation has become a popular topic; and that the United States, as leader [yin tao kuo chia] of the free world, has long provided a high degree of support to new democratic countries, including Asian countries. President Li quoted a passage from the State of the Union addresses delivered by President Clinton early this year—the best strategy for safeguarding security and establishing a lasting peace is to support the development of democracy. He also quoted U.S. Secretary of State Christopher as saying that if democracy and the market economy take root all over the world, the United States will become even more stable and prosperous. President Li said the ROC's efforts to promote democracy are unparalleled in the world. The president said Taiwan's role in the

Asia-Pacific region and even in the world as a whole deserves the United States' giving it a reasonable and square look at [ho li cheng shih], and only in this way can the United States be worthy of its good reputation of defending global democracy.

On the slight readjustment of U.S. policy toward the ROC made in September, the president solemnly pointed out that such a slight change cannot guarantee the United States plays its role in the Asia-Pacific region as it should. The president said:

[Begin Li Teng-hui recording] The United States should give a reasonable and square look at the role the ROC can play in the Asia-Pacific region and even worldwide. Such fair treatment is what we deserve. Moreover, only in this way can the United States be worthy of its good reputation of defending global democracy. To all countries and peoples that long for democracy and the market economy, the ROC is an example for them to follow. Ladies and gentlemen, as you know, in September this year the United States made a slight readjustment in its policy toward the ROC. The policy readjustment will help promote further dialogue between the two countries. However, I have solemnly pointed out that such a slight readjustment cannot guarantee the United States plays its role in the Asia-Pacific region as it should. [end recording]

In conclusion, the president expressed the hope that Secretary Pena will bring about the U.S. Government's more adequate square look at our country, and that the small step forward taken by the U.S. Government today will lead to its taking a big step tomorrow.

**Pena Reaffirms U.S. Commitment To Strengthen Ties**

OW0712092794 Taipei CNA in English 0833 GMT 7  
Dec 94

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Dec. 7 (CNA)—U.S. Secretary of Transportation Federico Pena Wednesday [7 December] reaffirmed the Clinton Administration's commitment to strengthening economic and cultural ties with Taiwan.

Pena, the first Clinton Administration cabinet member to visit Taipei, made the statement prior to his departure for home.

Pena said his meetings with senior Taiwan officials, including president Li Teng-hui and Premier Lien Chan, during the past three days, were "very productive, reflecting the deep, long-standing friendship between our two peoples."

"I also commended Taiwan's leaders for their success in creating a more vibrant, open democracy," Pena said in a written departure statement.

He further said the people of Taiwan should be proud of the strong turnout at the polls last Saturday.

Noting that the United States is proud of the contribution American companies have made to Taiwan's economic achievements, Pena said U.S. businesses, especially the transportation sector, stand prepared to help Taiwan's economy continue its progress into the next century.

While here, Pena witnessed the signing of a contract between U.S.-based Westinghouse Electric Corp. and Taiwan's Environmental protection authorities. Under the pact, Westinghouse will provide advanced technology for two municipal solid waste incineration plants in Taiwan.

Pena also witnessed the signing of a strategic alliance agreement between Taiwan's Economic Affairs Ministry and IBM Co.

Pena arrived in Taipei Sunday to attend the 18th joint meeting of the ROC-USA and USA-ROC Economic Councils, and departed for home Wednesday afternoon.

**APEC Countries 'Most Important' Trade Partners**  
*OW0712112394 Taipei CNA in English 0827 GMT 7 Dec 94*

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Dec. 7 (CNA)—Asia-Pacific countries have become Taiwan's most important trade partners, accounting for nearly three quarters of Taiwan's total external trade, a senior official said Wednesday [7 December].

Speaking at a joint meeting of the Legislative Yuan's Economic, Foreign and Overseas Chinese Affairs Committees, Hsiao Wan-chang, chairman of the Council for Economic Planning and Development, said the 18 member economies of the Asia-Pacific Economic Cooperation (APEC) forum, accounted for 74.5 percent of Taiwan's total foreign trade in 1993, and 77 percent of Taiwan's overseas investments were also poured into APEC countries.

Noting that APEC countries account for 38 percent of total global population, 50 percent of the world's total GNP (gross national product) and 40 percent of the global trade, Hsiao said Taiwan should use the forum to further expand its overseas markets and diplomatic frontiers.

Vice Economic Affairs Minister Sheu Ke-sheng also said at the occasion that the Asia-Pacific has outshined other parts of the world in economic development in recent years. APEC has set up a tariff rate databank, formulated standard customs clearance, production inspection, trade and investment regulatory frameworks for its members to follow. "All these efforts aim to further

boost trade and economic cooperation among its members," Sheu noted, adding the forum will play an increasingly important role in regional economic development in the years ahead.

Sheu further pointed out that Taiwan can use APEC to further expand its Asia-Pacific markets, help local small and medium-sized enterprises participate in international investment projects and forge strategic alliances with major multinational business groups.

APEC groups Taiwan, Mainland China, Hong Kong, Canada, Australia, New Zealand, Malaysia, Indonesia, Singapore, Philippines, Thailand, Brunei, Japan, South Korea, the United States, Mexico, Papua New Guinea and Chile.

On Taiwan's chances to host the annual APEC ministerial-level conference and informal leadership meeting, Hsiao said the Ministry of Foreign Affairs will make a comprehensive evaluation before taking any steps.

The APEC ministerial-level meeting and summit for 1995, 1996 and 1997 will be held respectively in Japan, Philippines and Canada. Malaysia has expressed its intention to host the 1998 APEC meetings. "So the earliest possible year for Taiwan to host APEC meetings is 1999," Hsiao explained.

Beijing's stance will be a decisive factor whether Taiwan can host APEC meetings, political observers said.

Because of Beijing's boycott, President Li Teng-hui failed to attend the 1993 and 1994 APEC leadership meetings. Vice Foreign Affairs Minister Fang chin-yen said huge obstacles still remain for Li to attend next year's APEC summit in Osaka.

**MAC Warns Against Property Speculation in PRC**

*OW0712100194 Taipei CNA in English 0838 GMT 7 Dec 94*

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, Dec. 7 (CNA)—The Mainland Affairs Council (MAC) Wednesday [7 December] called for Taiwan investors to refrain from speculating in Mainland China's real estate market, saying that the market there is immature and unpredictable.

According to a survey carried out by Attorney-at-Law Li Yung-jan and Prof. Hsieh Chao-yi of National Chungshing University at the behest of the MAC, real estate investors, particularly from overseas, are at risk if they don't develop good "Guanxi" or personal connections on the mainland.

The survey of 22 failures, which involved several dozens of Taiwan investors, found that poor "Guanxi" was just one of the 16 major factors that adversely impacted the success of a real estate operation on the mainland.



Inability to penetrate the irrationally complicated red tape on the mainland was another way to lose, the survey found.

Other factors barring overseas investors from succeeding included the drastically and unpredictably changing government policies, poor real estate knowledge and bad investment choices.

The survey also found that the actual real estate market on the mainland was not as big as predicted.

MAC officials urged potential Taiwan investors to study past failures before making a move.

Taiwan real estate investors, operating without government approval, have poured between NT\$20-350 (new Taiwan) million each into the mainland's housing market. The investors usually operated other businesses on the mainland, including trade and manufacturing industries, the study found, and they usually sent their operational capital through Singapore or Hong Kong.

#### **Official: State To Assist Small, Medium Businesses**

*OW0712114794 Taipei CNA in English 0702 GMT 7 Dec 94*

[By Y.C. Tsai]

[FBIS Transcribed Text] Kaohsiung, Dec. 7 (CNA)—Vice Economic Affairs Minister Yang Shih-chien stressed Wednesday [7 December] that the government attaches great importance to the development of small and medium enterprises (SMEs).

Speaking at an SME seminar held at the Grand Hotel in Kaohsiung, Yang pledged that the Ministry of Economic Affairs will call on government agencies to increase procurement of supplies from domestic SMEs as part of its effort to encourage the start-up of new businesses.

Domestic SMEs, which are world famous for their contributions to Taiwan's economic progress in the past four decades, are currently suffering from fast increases in land, labor and environmental protection costs, he pointed out.

Noting that the government is obligated to offering a good business climate, he said the ministry will give a helping hand to domestic SMEs by establishing service centers at major cities, implementing pollution-control measures and enhancing cooperation on research and development.

Currently, he added, the number of SMEs totals nearly 900,000.

About 100 entrepreneurs in southern Taiwan are attending the forum, which will continue through Friday.

Shih Yen-hsiang, director-general of the ministry's Small and Medium Business Administration, who officiated at

the seminar, said the three-day gathering aims to discuss future trade and investment trends.

In addition to panel discussions, participants of the forum will also make field trips to manufacturing, service and information facilities.

#### **Bank Governor Says No Plan for More Foreign Capital**

*OW0712095094 Taipei CNA in English 0818 GMT 7 Dec 94*

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, Dec. 7 (CNA)—Liang Kuo-shu, governor of the Central Bank of China (CBC), said Wednesday [7 December] that the central bank has no plans to allow more foreign funds into the domestic stock market at present.

Too much foreign capital will adversely affect the stability of the national economy at a time when the domestic bourse trading regime still leaves much to be desired, he pointed out.

Liang made the remarks at the Legislative Yuan in reply to questions raised by lawmakers on the central bank's financial policies.

Further easing of restrictions on foreign stock investment in Taiwan, however, will be carried out in the future as Taipei is aiming to become an Asia-Pacific financial hub, he elaborated.

But, he noted, the impact of increased foreign funds on the foreign exchange market and overall economic development should also be taken into consideration.

A substantial boost in foreign capital will inevitably push up the new Taiwan dollar's value, which will make Taiwan products more expensive and less competitive on the international market, thereby causing a strong negative impact on Taiwan's export-oriented economy, he explained.

Under such circumstances, he said, a modern and healthy stock market will be key to the central bank's policy adjustments.

Liang, who previously said the central bank would consider allowing in more foreign capital once the annual growth rate of the monetary aggregate M2 drops to the under-15 percent level, has been cautious since a payment-default scandal rocked the domestic stock market in October.

Expansion of M2, comprising cash in circulation, checking and savings accounts, time deposits and quasi-money (including treasury bills), fell to the central bank's target of less than 15 percent in October.

Currently, the ceiling on foreign stock investment is US\$7.5 billion.

Statistics show that a total of 110 foreign institutional investors have applied for a combined US\$13.9 billion investment in the domestic stock market, of which the government has approved US\$6.33 billion for 78 investors.

Securities and Exchange Commission Chairman Linin Day has been advocating a further boost in foreign stock investment, which he said will be good for Taiwan's bourse trading.

#### Details on New Missile-Equipped Patrol Vessel

OW0612130694 Taipei LIEN-HO PAO in Chinese 2  
Dec 94 p 1

[By reporter Hsieh Lung-tien (6200 7893 3944) from Kaohsiung: "Missile Patrol Vessel Ching Chiang Commissioned"]

[FBIS Translated Text] Our country's first missile patrol vessel, the "Ching Chiang," built by a civilian shipyard and equipped with a night vision system, was commissioned at the Tsoying Military Port in Kaohsiung yesterday. According to the Navy, the Ching Chiang can be used for coastal patrols, fishing escort, or supporting larger ships in battle. The Navy's combat power can thus be strengthened.

A ceremony for commissioning the ship took place at 0100 GMT yesterday at the West Pier of the Tsoying Military Port. More than 500 guests from various circles attended the ceremony which was presided over by Navy

Commander in Chief Ku Chung-lien. The Navy's grandiose band played for the occasion.

In his speech, Ku Chung-lien pointed out: The building of the Ching Chiang has followed the established policy of "self-reliance in national defense and building military vessels by ourselves." It is a joint efforts of scholars at home, people of ship-building circles, and concerned national defense units. The idea, design, and manufacturing of the vessel were all developed and done by our countrymen, and the vessel was built by a civilian shipyard.

According to the Navy, the Ching Chiang, with serial number 603, was built by the Lienho Shipyard in Kaohsiung's Chichin District. The cost of the vessel without the weapons systems was 500 million New Taiwan dollars. The building of the vessel started on 18 August last year and was completed on 26 November this year. It has a displacement of 500 tons. Its total length is more than 60 meters. Its cruising radius is 3,600 nautical miles, and its maximum speed is 25.1 knots. The vessel is equipped with advanced electronics battle equipment, a 40.2 mm rapid-fire gun and Hsiung Feng I antiship missiles. The current complement includes 50 officers and sailors, but the number may be streamlined to 32.

According to military sources, the Ching Chiang is also equipped with a night vision system which can greatly increase night fighting capability. It is a major breakthrough for our missile patrol vessels and our night fighting capability will be raised.

## Hong Kong

### PWC Supports Provisional Legislature for SAR

HK0712055994 Hong Kong SOUTH CHINA  
MORNING POST in English 7 Dec 94 pp 1, 2

[By Chris Yeung and Linda Choy]

[FBIS Transcribed Text] The China-appointed Preliminary Working Committee (PWC) appears to have concluded there is no alternative to setting up a provisional legislature to run Hong Kong immediately after the handover on July 1, 1997. The provisional legislature is one of the four options presented to a full meeting of the PWC starting tomorrow by the political affairs sub-group.

It will almost certainly emerge as the three-day plenum's only recommendation on how to handle the early days of the Special Administrative Region (SAR), provided the plan encounters no major opposition at the meeting, a mainland official said. "So far, even those who spoke against the proposal are unable to give an alternative solution," he said. "It appears that there is no other option. There's nothing that can challenge the idea of a provisional legislature."

Various sources close to Beijing said the decision to set up a caretaker legislature came from the top leadership and that "even Lu Ping cannot overturn the decision". A source said the scheme was agreed after Governor Chris Patten's political reform blueprint was passed into law by the Legislative Council [Legco] at the end of June.

At that time Chinese officials confirmed that all three tiers of government elected under the new rules would be disbanded by July 1, 1997 and that none of those elected could sit on the so-called "through-train" to the first SAR legislature.

The mainland official admitted that the provisional legislature plan was not the most ideal solution and would bring about some other problems. "But there will be even more problems if the provisional legislature is not in place (after the handover). The situation will be even worse. This is the way we are looking at the issue now," he said.

He said the PWC political affairs sub-group would look into details of the provisional legislature in the next stage of discussion at the end of the plenary session. These would include how the "caretaker" legislators are chosen, and the duration and powers of the legislature. The sub-group will study the experience of other countries which had interim parliaments to minimise any adverse effects.

Critics of the PWC and its provisional legislature idea have stepped up their campaign on the eve of the opening of the fourth plenum. A group of news commentators and academics intend publishing an open letter this week questioning the proposal.

A debate in the Legislative Council next week on the Democratic Party's Szeto Wah's move to condemn the PWC will focus on the plan. Mr Szeto will ask the council to conclude that the establishment of the PWC and the provisional legislature proposal are contrary to the Sino-British Joint Declaration, the Basic Law and the aspirations of the people of Hong Kong. He also seeks a declaration that they are in defiance of the spirit and principles of the "one country two systems" principle and the promise of "a high degree of autonomy".

An advocate of the provisional legislature, PWC member Professor Lau Siu-kai, said critics had overlooked the fact that Hong Kong's legislature was never a powerful organ in government. The provisional legislature would take no more than the passive role currently played by the Legislative Council under Hong Kong British rule, he said.

He stressed that the 60-strong body would have broad representation, even though most of its members might be drawn from the pro-China front. The crucial figure behind the initiation of policies and legislative amendments would be the chief executive, instead of the provisional legislature, he said.

Professor Lau added that the fact that members of the provisional legislature would like to run for seats in the first SAR legislature meant that they had to appeal to voters in making policies at Legco. "It is unlikely for the provisional legislature to be turned into a tool to push through unpopular legislation against the will of Hong Kong people unless the central Government's confidence in Hong Kong has slumped to a crisis stage, and this is not likely to happen," he said.

Although the suggestion has been accepted by most PWC members as well as Chinese officials, Professor Lau expected no formal endorsement on the proposal would be taken at the plenum. It is up to the Chinese Government and the National People's Congress to decide whether to proceed with the legislative process for the proposal, he said.

### Anticorruption Commission Welcomes PRC Team

HK0712064494 Hong Kong EASTERN EXPRESS in  
English 7 Dec 94 p 3

[By Bruce Gilley]

[FBIS Transcribed Text] The ICAC [Independent Commission Against Corruption] has welcomed news that China plans to send a team to investigate corruption among mainland-funded companies in the territory and dismissed concerns about possible interference in its jurisdiction. In a statement to Eastern Express yesterday, the ICAC said it enjoyed "excellent lines of liaison" with China's anti-corruption body, the Supreme People's Procuratorate, which is expected to take part in the investigation.



Such co-operation was seen as a guarantee that Beijing would not overstep its authority in seeking out corrupt mainland officials working in Hong Kong. "We are confident that they fully understand the ICAC's role in Hong Kong and the boundaries of our respective jurisdictions," the statement said.

The ICAC regularly assisted mainland anti-corruption fighters with investigations into "PRC based corruption offences" and would welcome the latest team, it said.

ICAC sources said yesterday that most cases involving mainland-funded companies in the territory were linked to corruption investigations in China. As a result, local authorities took a back seat to their mainland counterparts in such instances. "The Chinese government wants to deal with the problem in-house and may or may not inform us when they uncover corruption here," a source said.

The source added that the ICAC was not in a position to demand notification of the activities of the Chinese investigators in the territory because they were in many instances the owners of the companies. "China is a different kettle of fish from other places. Most of their companies here are state-funded and of course, if they find something is wrong, they are going to come and have a look.

"The government officials are also the company directors. If they claim that their mission involves management or something like that, there is nothing we can do."

China's State Assets Administration established a "leading group" early last month to investigate the operations of mainland-funded enterprises in Hong Kong. An official with the local branch of the New China News Agency (Xinhua) said that "more than one" special team would be sent to the territory in the near future "to investigate the situation of their operations".

Beijing is believed to be outraged at growing evidence of widespread corruption among the 1,658 mainland-funded companies in the territory. In addition to providing a channel for the diversion of state assets into private pockets, the corrupt behaviour is considered to be a potential "unstable factor" in the transition to Chinese rule in 1997.

The recent execution in Shenzhen of a former head of a mainland company in Hong Kong was apparently intended as a warning against graft to the estimated 65,000 mainlanders working for Chinese government companies in Hong Kong. Li Jianhua, the former head of the Hong Kong branch of the China National Foreign Trade Transportation Company, was evicted from the territory last year for having obtained a false identity card. He was immediately arrested upon arrival in China and put to death in late September this year for having embezzled more than 1.6 million renminbi (HK\$1.5m) from the company.

### Team Urged To Reveal Findings

HK0712065194 Hong Kong EASTERN EXPRESS in English 7 Dec 94 p 15

[Editorial: "Graft-Fighting Must Be Joint Effort"]

[FBIS Transcribed Text] Regardless of whether Hong Kong's 1997 handover is a welcome prospect, the spectre which haunts it can be summed up in a single word: corruption. If it is allowed to take hold here, everything that has given the territory its unique character and crucial position in world markets, could be destroyed overnight.

The island risks being reduced to the status of a banana republic. Foreign companies will look elsewhere to invest and those who are already here will flee as soon as they can find a buyer. This is a deeply worrying possibility, and one which could all too easily be realised.

Earlier this summer, the Independent Commission Against Corruption [ICAC] reported that there had been a 43 percent increase in the number of cross-border corruption cases brought to their attention last year. The 1,344 cases under investigation amount to one of the highest totals in the history of the ICAC. Of these, 110 involved companies funded by the People's Republic of China, but only 52 were under active investigation.

According to the ICAC commissioner, Bertrand de Speville, part of this is due to what he calls the "quick buck" syndrome of people anxious to make money rapidly in the lead-up to 1997, part was the result of "the China syndrome" where increasing commercial contact with the mainland meant that underhand dealings there washed back into Hong Kong.

Corruption has reached such proportions in cross-border dealings that the Hong Kong end of the problem certainly cannot be tackled without the active co-operation and participation of the Chinese authorities. Consequently, the moves which have been made in that direction over recent months have been welcomed and encouraged here. The latest Beijing initiative, however, needs to be treated with more caution.

If China plans to send teams of senior officials to investigate dubious dealings in mainland-funded companies based here, as Eastern Express revealed yesterday, we have a right to expect that the Hong Kong authorities will be kept fully abreast of all their findings, so that offenders living and working in the territory can be brought to trial.

This will involve a change of policy from the normal Beijing way of dealing with criminal proceedings. They are not accustomed to giving an account of themselves to outsiders, and certainly not on embarrassing issues which show the seamier side of life in the People's Republic.

No doubt their intention is to conduct their inquiries as surreptitiously as possible, and cover up any unpalatable

findings they may make. Quite how they propose to bring the culprits to justice we have yet to learn.

If they plan to operate in Hong Kong, however, their internal practices do not apply and simply will not do. This is still a separate sovereign nation, and if it is catching a contagion which has spread from the Chinese side, we need to know who the carriers are, in order that action can be taken against them.

Beijing—plagued by an epidemic of graft and corruption which is having a highly detrimental effect on the government's efforts at economic reform—has every reason to be uneasy about the role that Hong Kong plays in it all. There are 1,658 mainland-funded enterprises here involving an investment which now totals \$25bn. The Hong Kong Chinese Enterprise Association has produced statistics showing that \$535m of PRC investment has been made in Hong Kong's manufacturing industry alone. Vast amounts of investment funding is going all over Asia through here from China every month, and the country now ranks second to Britain in the amount of capital it is pouring into the territory.

De Speville is on record as saying that in many instances local business people were not only involved but even the instigators of corrupt practices. Therefore, there are bound to be some instances which the Chinese officials investigate, which will reveal a local connection, and it is to be expected that anything of that nature which comes to light will be passed on either to the Hong Kong police, or the ICAC. We certainly do not expect to have any instances of mainland business people being mysteriously spirited away to turn up in the dock of a Chinese court.

The penalties offenders face, when they are brought to justice in Hong Kong, are a lot less severe than they are in the mainland, but the realisation that corruption on the mainland carries the death penalty should concentrate local minds wonderfully.

It may drive home the lesson that short-term profit is a very poor substitute for long-term prosperity, and Hong Kong will certainly pay with the latter unless the corruption problem is stopped in its tracks.

What is needed, however, is not an undercover team coming in from Beijing, but a thoroughly co-operative effort from the appropriate authorities on both sides of the border.

#### **Hong Kong Detainees in Shenzhen Denied Visitors**

*HK0612074594 Hong Kong EASTERN EXPRESS in English 6 Dec 94 p 3*

[By Pamela Leung]

[FBIS Transcribed Text] Three Hong Kong residents detained in Shenzhen since Saturday have been denied visits from family members amid claims that fellow detainees had been seriously injured by guards, according to the sister of two of those held. They were among eight villagers arrested after a violent clash with Public Security Bureau (PSB) officers in Heng Longgang village, in the Nan Shan District of Shenzhen, over a property dispute.

Ng Oi-lan, the sister of the Hong Kong detainees, Ng Sai-wing, 41, and Ng Oiyung, 30, said she had been refused permission to visit her brothers since their arrests. She claimed two mainlanders, Ng Kan-man and Ng Chiping, arrested in the same incident, had been badly beaten during questioning by the PSB, to the extent that they were unable to stand. Ng, a resident of Heng Longgang, said they were arrested after more than 300 PSB officers surrounded 30 protesting villagers and attacked them with electric batons.

The villagers objected to the terms of compensation offered for compulsory resumption of their land, despite having already signed an agreement to move.

A Hong Kong resident, Cheung Hing-chuen, said he was among those attacked by the PSB on Saturday but was helped by other villagers and fled to Hong Kong with his wife immediately after the incident.

A Hong Kong affairs adviser, Cheng Kai-nam, will visit the village and the detention centre today to look into the incident.

The Shenzhen PSB deputy director, Huang Zhenfen, refused to comment on the case.

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